密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

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REASONS FOR RESIGNATIONS OF MESSRS. JONES AND WINTER

IN this column of last week's issue of *The Review* there appeared an editorial referring to the resignations of J. R. Jones, Secretary and R. W. S. Winter, member of the Secretariat of the Municipal Council of the International Settlement. In this connection reference was made to the secrecy which had surrounded the resignations of these two high officials of the Council's permanent staff and the statement was made that the resignations were due to Japanese pressure. On Saturday, Aug. 22, the *North-China Daily News*, generally referred to as the British "official" organ in China, reprinted part of *The Review's* editorial under a heading, "Why Did Council Officials Leave?" On the following day, Sunday, Aug. 25, the *N. C. D. N.* published under a heading "Personal Reasons," the following apology:

> "Yesterday, this journal published from the *China Weekly Review* comments on the recent resignations from the Council's service. Those comments might seem to suggest that Mr. R. W. Winter's resignation was in some way associated with the episode of the uncounted votes at the last election and recent Japanese criticism of the Council. This, of course, is quite incorrect, as Mr. Winter was in no way concerned with that affair.
>
> Readers of this journal should be under no misapprehension on the subject, but as it is understood that the point has not been made clear from the extract quoted, this journal desires to state that it has the best authority for asserting that Mr. Winter's resignation was due entirely to personal reasons. It regrets that the publication of the extract should have given ground for any misapprehensions on the point or pain to Mr. Winter.
>
> In regard to the resignation of Mr. J. R. Jones, it is within recent knowledge that is was accepted by the Council with the deepest regret, and it too is understood to be due to personal reasons, Mr. Jones having decided to resume his practice at the bar."

On Thursday, Aug. 20, two days preceding the appearance of last week's issue of *The Review*, the *Shanghai Mainichi*, leading Japanese newspaper published an editorial headed, "Why Did Jones Resign?" the text of which, according to a *Domei* translation, was as follows:

> "The failure of the Shanghai Municipal Council to give the reasons for the resignation of Mr. J. R. Jones,

Secretary of the Council was regrettable and an example of the lack of light which is shed on personnel affairs in the Settlement Administration . The silence of the authorities left one no choice but to use his imagination Jones' resignation was due to his inability to continue in his duties because of illness or otherwise obviously these are the only reasons under ordinary circumstances which would cause the resignation of an official whose term of office has not expired and who has not reached the age limit for voluntary resignation On the other hand his resignation may have been asked by his superiors because of an unfaithful discharge of duty It may be recalled that Mr. Jones was 'responsible' for the miscount of ballots in the election for Municipal Councillors this spring. The Municipal authorities, however, attempted to confirm the results of the balloting on the grounds that the miscount had not been made purposedly . A re-election was however held (?) at the insistence of the Japanese . A committee to investigate the matter was also organized in an attempt to fix the responsibility for the affair . The only disciplinary action, however, was a reprimand of those found responsible As a result H. E. Arnhold, Chairman of the Council, was obliged to remove Mr. Jones for fear of a possible unpleasant situation Frankly speaking we believe that as demonstrated in the case of Mr. Jones' retirement, the personnel affairs of the Council are carried on in a dark and unfair manner... While a drastic reform of the Council's administrative machinery may be delayed by obstacles in the form of land regulations (city charter), the personnel affairs could be improved . If personnel questions are given a more enlightened treatment in keeping with the progress of the times, the interest of the ratepayers in the municipal administration will be stimulated... This would effect a partial improvement in the Municipal administration without having to resort to the amendment of the land regulations and would serve to alter the dissatisfaction and suspicion regarding the Council's administration existing at present."

As stated in our discussion of this subject last week, the blunder, if blunder it was, involving the loss of a ballot-tox containing some 300 Japanese votes, following a closely contested election wherein the Japanese had tried to increase their normal representation on the Council at the expense of the British. The incident disgusted most of the thoughtful members of the community at the manner in which municipal affairs are conducted. Since 1932 when the Japanese naval and military forces intervened here precipitating a war with the Chinese authorities, the British-controlled municipal government has been under strong pressure by the Japanese military who have greatly strengthened their position here. The construction of a large barracks, military hospitals, creation of a fortified area and erection of a Shinto shrine on streets bordering the Settlement and the Chinese-administered Chapei district indicate in unmistakable fashion future Japanese intentions here. Although never mentioned publicly the Settlement authorities realize that the almost weekly Japanese monopolization of Settlement streets in the Hongkew district for military maneuvers constitutes a gesture of future intentions just as similar maneuvers at Mukden prior to 1931 indicated Japanese intentions in Manchuria. In general the public, Occidentals as well as Chinese, have sympathized with the British municipal authorities in their attempts to get along peacefully with the chauvinistic Japanese warlords, but this sympathy was largely turned to disgust as a result of the ballot-box scandal at the last municipal election.

Immediately following the disclosure of the blunder concerning the lost ballot-box Chairman Hayashi of the Japanese Election Committee, supported by the local Japanese press and officialdom, demanded the resignations of municipal officials responsible. He declared, "We have always doubted the efficiency of the municipal administration... the election blunder has only substantiated this view by vividly exposing the administration's defects... the residents cannot rely upon such an unfaithful administrative organ."

If, in the face of the foregoing developments, Messrs. Jones and Winter resigned because of "personal reasons," we extend our apologies to the gentlement for suggesting that their resignations were due to Japanese pressure. As for the Municipal Council it can thank its own blundering officialdom for the general suspicion and disgust which prevails as a result of the election scandal and absence of any official statement regarding the unusual circumstances surrounding the resignations of two high officials of the local administration.

THE RESIGNATION OF SZE AND APPOINTMENT OF WANG

THERE is considerable dramatic interest in the decision of the Chinese Government to appoint Dr. C. T. Wang as Ambassador to Washington as successor to Dr. Sao-ke Alfred Sze, particularly at this time. Both Sze and Wang represented China at the Peace Conference following the World War and both, together with the other delegate Dr. V. K. Wellington Koo, walked out of the Conference following decision of the delegates to confirm Japan in possession of former German interests in Shantung. Dr. C. T. Wang had been sent to Washington by Canton to interview President Woodrow Wilson on the Shantung issue, but after he arrived there he was appointed a member of the Chinese delegation to the Peace Conference. That was in the late fall and winter of 1918-1919, and it was a dark winter for China for it appeared that the entire world was against her. But only three years later, when the Republicans were again in power in Washington, President Warren G. Harding called the Arms Limitation Conference and largely through the efforts of Dr. Sze the U. S. Government decided to invite the Chinese Government to send a delegation along with the other Powers in order that there could be a full discussion of Far Eastern problems. It was recognized then as now that there

could be no agreement on arms limitation so long as complicating issues centering in and about China remained unsettled.

As a result of the airing of Far Eastern questions a settlement was reached on most of the problems which was regarded as generally satisfactory to all interests. There was particular satisfaction in China over the settlement of the Shantung question, the Japanese having agreed to carry out their promise to return administrative and political control of the province to the Chinese authorities. The actual settlement of the Shantung issue was due to the efforts of Dr. Sze who negotiated the issue directly with the Japanese, with John Van A. MacMurray and Sir John Jordan representing the United States and Great Britain respectively, acting as observers. But the actual "rendition" of former German interests which had been controlled by the Japanese Army for eight years, was later on negotiated by Dr C. T. Wang "on the spot" in Tsingtao and Tsinan.

Dr. Sao-ke Alfred Sze

It is therefore of considerable significance that these two Chinese officials, long experienced in the diplomacy of their country, should again be called upon in another period of crisis vitally affecting the future of their nation. While Dr. Sze's future activities have not yet been announced, it is obvious that steps will be taken to utilize in his home land his wide experience in the diplomacy and international politics of America and Great Britain. Hundreds of Americans, directly and indiretely acquainted with Dr. Sze and his important work extending over a long period of years will be sincerely regretful of his decision to retire from the Washington Embassy but their regret will be tempered by the knowledge that Nanking saw fit to appoint another ambassador of the high qualifications of Dr. Chenting T. Wang. It's an obvious compliment to Americans that China has always seen fit to appoint her outstanding diplomats to Washington. Space is not available for an extended review of the careers of the two men. Dr. Sze, a native of the village of Chentseh, Kiangsu, received his education at St. John's, Central High (Washington) and Cornell. Returning in 1906 he held numerous positions under the Empire and also under the First Republican Cabinet. He was first appointed Minister to the United States in 1921 and since that time has been prominent in China's international relations as they affected the Unted States and Great Britain or the League. Dr. C. T. Wang was born at Ningpo and received his education at Peiyang (Tientsin) and at Michigan and Yale. Returning to China in 1911 he first served as a Y. M. C. A. secretary, later identifying himself with the politics of the First Revolution, holding various positions both under Dr. Sun Yat-sen at Nanking and President Yuan Shih-kai at Peking. He was active in the organization of China's first Parliament, serving as vice-president of the Senate. Following the Paris Peace Conference where he served as a member of the Chinese delegation Dr. Wang entered business life, but in 1922 was appointed director-general of the Shantung Rehabilitation Commission and later was appointed Minister of Foreign Affairs. Dr. Wang probably has had more to do with the modernization of China's treaties than any other individual. He was chairman of the first tariff revision conference in Peiping in 1922, was concerned with the drafting of China's treaty of recognition of the Soviet Union, directed negotiations conerning evacuation of Japanese troops from Shantung on two occasions and in 1928 became a member of Foreign Affairs Committee of the National Government at Nanking. Later as Foreign Minister at Nanking he negotiated numerous new treaties with European and South American countries wherein the countries relinquished their exterritorial rights, this being a matter of considerable significance at the present due to a renewed demand for similar relinquishment from the standpoint of the United States.

Dr. C. T. Wang

Trade of Philippine Islands Shows Huge Increase

Foreign trade of the Philippine Commonwealth during the first six months this year showed a huge increase over the corresponding period of 1935, according to returns issued in Manila Aug. 13. Exports were valued at Pesos 162,619,561 as compared with Pesos 87,681,285 from Jan. 1 to June 30 last year, showing an increase of over 85 per cent. Imports, valued at Pesos 97,871,200, were slightly more than 25 per cent above last year's corresponding figure of Pesos 78,069,611. The balance in favor of the Philippines for the first half of this year was Pesos 64,748,361, as comparep with a favourable balance of Pesos 9,612,274 for the corresponding period a year ago. Greater proportion of the exports went, as usual, to the United States, these being valued at Pesos 134,329,537, while imports from the United States accounted for Pesos 62,374,393 of the total imports. Trade with Japan showed a marked increase, imports rising from Pesos 9,517,089 to Pesos 13,040,370, and exports to Japan from Pesos 4,536,875 to Pesos 6,856,261. The balance was in Japan's favor to the extent of Pesos 6,184,109. These figures show that while the favorable balance of trade with the United States is increasing, the unfavorable balance with Japan, and, incidentally, with the other countries, is also rising.

The President's Address on Peace and the Talbott Plan of Dealing With Japan

THE biennial conference of the Institute of Pacific Relations, now is session at Yosemite, California, has served to restore the problems of the Western Pacific to the front pages of the newspapers, despite the competition of more sensational developments in Europe. Dr. Hu Shih, well-known Chinese writer and philosopher who is a delegate to the Conference, helped to restore China to the front pages when he declared upon his arrival in San Francisco a few days ago that war in the Orient was invitable, and that China's efforts were all directed toward preparation for the conflict.

Prior to these developments very little attention had been paid to happenings in the Far East for several weeks, but President Franklin D. Roosevelt's address dealing with America's foreign policies also attracted attention again to the situation in the western Pacific although most newspaper readers here thought his remarks referred to Europe.

According to the report of the President's address as cabled by *United Press*, and published in the *North China Daily News*, the American Executive frankly expressed alarm concerning the menace to the peace of the world which now prevails in Europe, where two rival camps, Communism and Fascism are fighting for supremacy in connection with the civil war in Spain. It also was obvious from the report that President Roosevelt attempted to create confidence on the part of Americans in his ability to handle ticklish international situations by declaring that he had participated in many decisions of peace and war before, during and after the World War and, "as one who has spent a goodly portion of every 24 hours in the study of foreign relations." Following this he referred to what has lately been labelled America's "Good Neighbor" policy, which came into prominence in connection with the relations of the United States with Central and South American countries, where the United States is now making a special effort to cultivate friendly relations.

In accordance with the Administration's attempt to maintain strict neutrality, the President said that the United States has steadfastly assisted in international movements to end war and cooperated in the general Disarmament Conference. He said that the country had also paricipated in a conference to continue naval limitation and when it was evident that no general treaty could be signed due to Japan's withdrawal the United States had cooperated with Britain and France in drafting a conditional treaty for qualitative limitation, which, according to the President, "already shows signs of ineffectiveness." He expressed the hope that the American economic policy would help avoid wars through the elimination of embargoes, quotas and other barriers. On the other hand, however, he declared, "We fear that without a more liberal international trade, war is a natural sequence. So far as the United States is concerned, we offer every nation of the world the handclasp of a good neighbor. Let those who wish our friendship look us in the eye and take our hand."

That part of the President's address, as reported in the brief cables which had implications in the Far East, was variously reported by the different news agencies. The *United Press* quoted the President as saying, "We are deeply concerned about the tendencies of recent years among many of the nations on the other continents. It is a bitter experience to witness not only the spirit but the letter of international agreements violated with impunity and without regard to simple principles of honor. Permanent friendships between the nations can be sustained only by a scrupulous respect for the pledged word."

According to *Reuter's* report from New York Roosevelt referred caustically to those Americans who "seeking riches—fools of gold—would attempt to break down or evade the neutrality of the United States." The *Reuter* report indicated that the President went even further and referred critically to manufacturers who argued that, if they could produce and ship this or that or the other article to belligerents, it would relieve unemployment in America, so that all could find work and the United States in consequence could again capture the trade of the world. He said it would be hard to resist the glamour, but if these persons had to face a choice of profits or peace the American nation would be compeliled to answer, "We choose peace." The President declared further that the conscience of America revolted against war, that America was determined to isolate herself completely from war, and in consequence shunned political committments which might entangle the nation in foreign complications. He said it was beyond his power to keep war from all nations, but he could at least make certain that no act of the United States helped to produce or promote war. The *Reuter* dispatch quoted the President as finally declaring, "We seek to dominate no other nation and have no desire for territorial expansion. We oppose imperialism. We desire reduction of armament."

Brief dispatches from both London and Rome through the *United Press* indicated dissatisfaction with the President's address. Observers in London declared that the President's condemnation of imperialism and territorial expansion was regarded in British political circles as an attack upon dictatorships, primarily in Germany and Italy. On the other hand, a dispatch from Rome quoted Italian observers as declaring that the President's speech "was apparently directed toward America's future policy in the Orient, rather than an indication of any concrete policy toward Europe."

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The United States is now engrossed in one of its quadrennial political campaigns but since campaign years always provide an excellent opportunity for the airing of foreign policies, this adds another reason for attention being directed toward the Far East regardless of the implications in the President's address. The fact that this is a good time to direct the attention of the American people to particular phases of foreign policy probably explains why the Japanese are again giving serious attention to the problem of their relations with the United States and, according to reports in the Japanese newspapers, are planning to make vast expenditures on new propaganda campaigns.

⁂

Almost every mail from the United States brings voluminous declarations from some organization airing its views on American relations with the Far East. Few of these deiserve much attention but this statement does not apply to a recent pamphlet entitled, "Peace in the Pacific" which was written by E. Guy Talbott western director of the National Council for Prevention of War. Mr. Talbott spent considerable time in the Far East last year, prior to the holding of a conference devoted to the cause of war prevention, reports of which appeared in *The Review* at the time. Referring specificially to American policy in the Far East he sought answers to the following questions:

1. What would be the effect if the United States should repeal the Oriental Exclusion Acts, and place Japanese and Chinese on a quota basis?
2. Should the United States recognize "Manchukuo"?
3. Should the United States accept Japan's demand for naval parity and abolition of battleships and airplane carriers?
4. Should the United States scrap the Open Door Policy in favor of Japan's "Monroe Doctrine" for East Asia?

As a result of interviews and conferences with numerous individals in both China and Japan, including high officials of both government, American consular and diplomatic officials in both countries, newspaper correspondents, financial, commercial, educational and religious leaders, he said that the consensus of opinion with regard to these questions was that peace in the Pacific would be greatly strengthened by repeal of the American Exclusion Act.

Regarding the recognition of Manchukuo, he said that the almost universal answer was (excepting the Japanese) that recognition of Manchukuo should be withheld on the ground that the country is not in fact "independent" and that unilateral abrogation of such multi-lateral treaties as the Nine Power Pact and the Kellogg-Briand Pact should not be legalized by recognition.

To the third question Mr. Talbott said that all Americans and all Chinese expressed the conviction that America's compliance with Japan's naval demands would immeasurably strengthen the power of the Japanese military party giving them a permanent dominance over the Japanese Government and an unhampered opportunity for conquest in China.

As to the fourth question which was the crux of the issue between Japan and the United States, he stated that the United States had always upheld both phases of the Open Door Policy: (1) The right of equal trade of all nations with China including Manchuria, and (2) Maintenance of China's territorial integrity and administrative sovereignty. Japan's Asiatic "Monroe Doctrine" or hegemony policy is directly at variance with both phases of the Open Door Policy—if Japan's doctrine means Japan has the sole right to conquer, exploit or control the destiny of China. On the basis of this extensive investigation the following recommendations were made:

1. The peace movement in the United States should advocate no policies whose adoption by our own government would tend to foster and perpetuate the military regime now in control of Japan.
2. The principles set forth in the Lytton Commission's Report on Manchuria should be maintained, and recognition of "Manchukuo" should not be granted. The "Stimson Doctrine" should be upheld.
3. The United States should not accede to Japan's demands for naval parity, and the abolition of capital ships and airplane carriers, until such time as the military arms of the Japanese nation are completely subject to civil control, thus removing the major menace to "Peace in the Pacific."
4. In the interest of justice and international fair-dealing, the United States should repeal the Oriental Exclusion Acts and put both Chinese and Japanese immigration on a minimum quota basis, subject to strict administrative regulations by the Bureau of Immigration.
5. In so far as the principles of the Open Door Policy are embodied in multilateral treaties, such as the Nine-Power Pact, that policy should be maintained by the United States with the concerted cooperation of the other co-signatories to such treaties.
6. Japan should not be recognized as the sole guarantor of peace and order in East Asia, in accordance with Japan's proposed "Asiatic Monroe Doctrine," unless and until the civil government in Japan has absolute jurisdiction over her military establishments; nor until valid international treaties respecting China's territorial integrity and

administrative sovereignty are respected by the government of Japan, through positive and binding guarantees.

7. In order to achieve internal reconstruction and unification, China should receive both cultural and material aid from other nations, jointly extended, so that no one nation can take advantage of such assistance to gain "special" rights and privileges in China.

8. Every possible method should be utilized to maintain and extend the traditional friendship between the people of the United States and the people of Japan, and between the respective governments. President Franklin Roosevelt's "Good Neighbor Policy" should motivate all our dealings with Japan. Mutual trade between the two countries should be fostered and cultural relations should be nurtured.

9. So far as relations between the United States and Japan are strained, as a result of conflicting policies, the people and government of the United States should maintain an attitude of sympathy for the people and civil authorities of Japan. Both caution and patient restraint should characterize our attitude toward Japan, pending the outcome of the current struggle in Japan between the forces of irresponsible militarism and political liberalism for the ultimate control of both the government and the policies of the Japanese Empire.

10. The peace movement in the United States should always keep in mind the fact that any "peace" not based on justice and goodwill is illusory and abortive. Therefore those policies should be espoused and advocated whose object is the securing and maintaining of that permanent peace, based on a sense of security, justice and goodwill. These spiritual factors are the *sine qua non* of peace.

11. The "Peace in the Pacific" campaign of the peace movement in the United States, if it is to aid in a permanent solution of the Far East problems, must act in accordance with the principles and policies heretofore propounded. The facts and factors herein set forth must be recognized and reckoned with.

12. Such a campaign for "Peace in the Pacific" should include in its program.

a. Widespread education concerning the entire Far East problem, including all available data regarding the internal struggle in Japan between the forces of militarism and liberalism; and the internal efforts in China toward reconstruction and unification.

b. Exchange of cultural and educational missions with both China and Japan.

c. Wide circulation of the research reports of the Institute of Pacific Relations, particularly those relating to economic and cultural questions.

d. Intensive study of Pacific problems in every possible organized group, such as those affiliated with the Conference on the Cause and Cure of War and the Federal Council of Churches.

e. Securing outstanding interpreters of Japan and China and booking them before representative audiences in the United States, especially before business and professional organizations.

f. A demand for the best possible representatives on any delegation of our government at international, naval or other conferences affecting the Pacific and trust them to act, with a minimum of hampering propaganda, in arriving at just and amicable settlements or agreements.

g. Election of Senators and Congressmen who are free from the blight of jingoism and chauvinism—constructive, educated men with statesmanlike vision—men committed to those principles and policies that will further the cause of "Peace in the Pacific" and world-wide stability and security.

h. Work for the repeal of the Oriental Exclusion Acts and the placing of Chinese and Japanese on an immigration quota basis, as an act of justice as well as the recognition of racial equality.

i. Study of the problems of the second-generation Japanese and Chinese in Hawaii and on the Pacific Coast, and sympathetic cooperation with them in social adjustment and the exercise of citizenship.

In concluding the discussion Mr. Talbott quoted extracts from statements by leading Japanese officials and civilian spokesmen and by political leaders all over the world on the general subject of the position of Japan in world affairs. While many of these statements have appeared in *The Review* and other publications in the Far East, some are worth repeating in view of the renewed interest in these issues, for example, the Marquess of Lothian, speaking in the British House of Lords on December 5, 1934, analyzed the situation with reference to Japan to the following effect:

> "The issue in the Pacific today is whether the collective system is going to prevail against the present attempt to destroy it. If power diplomacy succeeds it will inevitably succeed in Europe afterward. If we can secure the active cooperation of the United States, as I believe we can, in vindicating the neutrality of the Pacific Ocean, we shall get rid of the chief obstacle to the collective system, which is America's abstention from active cooperation in that system.
>
> "The great failure of the present British government in the Far East was that it did not cooperate wholeheartedly with the United States when Secretary Stimson protested against Japan's absorption of Manchuria. Now we have an opportunity to redeem that blunder, and if the situation is wisely handled it may be possible to restore in the Pacific a collective system strong enough to vindicate the principles set up in the group of Washington treaties in 1922."

In conclusion Mr. Talbott said that talk of war between Japan and the United States persists, "despite the fact the such a war would mean suicide for Japan and costly folly for the United States. Jingoists and chauvinists in both countries continue to fan the slumbering fires and hates and the growing jealousies and rivalries. War often results from such deliberate fomenting and promoting of the emotional and economic factors out of which wars emerge." In stating Japan's case, Mr. Talbott said that there is a settled conviction in Japan, held apparently by the entire nation, "that international circumstances have made Japan the sole guarantor of peace and order in the Far East. . . . Everywhere in Japan there is an earnest wish that Japan's position in the Far East might be better understood. To the apologists for Japanese military aggression, to 'understand' Japan's actions means to 'approve' the methods of force. These same apologists speak of the National Government in China as being 'insincere' when China refuses to recognize 'Manchukuo' or when the anti-Japanese boycott is no fully stopped, or

when the Kwantung Army's 'demands' are not quickly met."

Referring to the general feeling in Japan toward the United States, the author of the pamphlet expressed his opinion that "aside from certain irresponsible militarists, obsessed with the spirit of 'Samurai', there is not talk in Japan about the so-called 'inevitable war with the United States.' There is a general feeling that Japan is looked upon, especially by America, as an 'outcast' nation, as a result of what has been interpreted as the illegal use of military force. As phrased by the former Foreign Minister, Count Uchida, Japan's military actions brought upon her the 'odium of the world.' The civilian leadership in Japan feels deeply the stigma of that world-odium. They would like to see their country again restored to the good graces of the world, particularly in the eyes of American The irresponsible military extremists stand athwart Japan's road to the recovery of international esteem. There is a conflict now going on in Japan between military and civilian elements for the control of governmental policies. As outside political, economic and (implied) military pressure is lessened, there are evidences that the internal psychological and economic forces in Japan may bring about a restoration of civil leadership and an abatement of the current militaristic spirit As a matter of fact, the real government in Japan—so far as foreign policies are concerned—is the 'Kwantung Army.' Those policies are dictated from Hsinking, the Kwantung Army headquarters, rather than from the Foreign Office or the Diet in Tokyo. The Kwantung Army initiated and carried through the conquest of Manchuria, apparently without the previous consent (or even knowledge) of the Home Government in Tokyo. The same thing is true of the current military advance in North China, south of the Great Wall. The function of the civil government in Tokyo (in practical effect) is to rubber-stamp with approval the actions of the Kwantung Army in China. With impunity this military arm of Japan volates international multilateral agreements, signed in good faith by the civil authorities, and leaves to the Foreign Office the impossible task of 'explaining' those illegal actions to the co-signatories and the world-at-large."

Finally, on the subject of the puppet state of Manchukuo, of special interest at the present due to rumors of impending recognition on the part of Britain and other European nations and of renewed pressure on China to follow a similar procedure, Mr. Talbott expressed the following opinion:

"So far as 'Manchukuo' is concerned, the report of the Lytton Commission still stands as the sober judgment of the world. There is no valid evidence that 'Manchukuo' is, in fact, an independent state. Everywhere Japanese soldiers and civilian officials abound. They are in manifest control. This situation is well set forth by Dr. Masamichi Royama, Professor of International Law in the Imperial University of Tokyo, on the 'Meaning of the Manchukuo Empire:' 'So far as the elements of statehood are concerned, Manchukuo is to be designated as rather a virtual protectorate of Japan than an independent state in the modern sense. So long as the agreement for a military alliance between Manchukuo and Japan continues to exist and Japanese predominance in the government personnel is maintained the statehood of Manchukuo cannot be properly said to exist. Many years of contructive work are required before statehood in the modern sense of that term can be achieved by the inhabitants..' "

Dr. T. H. Lee Resigns from Fuh Tan University

The resignation was announced end of last week of Dr. T. H. Lee from his post as president of Fuh Tan University. The board of directors refused, however, to accept his resignation and instead granted the aged educator a "long leave." Meanwhile the board appointed Y. M. Chien, banker and a member of the board, as acting president and Dr. Wu Mien, a former president of the National Tsinghua University, as vice-president of the Kiang- wan school.

Dr. T. H. LEE

The *Shanghai Evening Post* stated that the changes in the administration of the Fuh Tan University, scene of many student troubles in Shanghai, came as a compromise to the permanent closure of the institution as contemplated by a group of high officials in Nanking. Annoyed by the agitations which culminated in a battle between students and police on the campus in March, the authorities were reported to have advocated closure of the univeresity to settle the troubles once for all. Graduates of the university, many of whom hold high posts in the Central Government, rushed to the aid of their old school and arrived at a compromise. Dr. Lee, for the last decade president of the University, will remain in Shanghai. He is planning a trip to Szechuen. He stated that he will in his spare time devote himself to furthering the interests of Fuh Tan. He will also continue to devote much of his efforts to the National Anti-Opium Association and the Child Welfare Association, of which he is member of the Executive Committees. Dr. Lee is one of the earlier American returned students. He received his early education in Java. He studied at Ohio Wesleyan University, 1891-97; was graduated from Yale University in 1899. He then returned to the Straits Settlements where he taught in the Anglo-Chinese School, where he received his initial education. He first came to Shanghai in 1905 where he promoted the World Chinese Students' Federation of which he was chairman until 1915. He helped found Fuh Tan University, of which he was the first Dean. Among other numerous activities he was chairman of the League of Public Organizations to protest against the treaty affecting Chinese rights and opposed China's signature to the Peace Conference at Versailles. During the Washington Conference he was chairman of the People's National Diplomatic Federation representing 180 organizations all over China.

Amoy Government Begins Vigorous Campaign Against Opium Addicts

The Government of Amoy hsa begun a vigorous campaign against opium addicts under 36 years of age. The Amoy correspondent of the *North China Daily News* says the British Consul there has rigorously stopped all Chinese claiming British nationality from trafficking in or selling the drug, and the Japanese Consul, following this good exmaple, is stated to have given orders that many Taiwan-Japanese subjects, who ran opium-smoking shops, were to close their businesses. The order, however, was never enforced and the shops continued to flourish. The Japanese Consul has now allowed an extension of the closing date.

New Treaty Frees Egypt from England—South African Nationalists Want Republic

THERE were two further evidences of weakening of links in Britain's imperial chain during the week—one in Egypt and the other in South Africa. As regards the former, the event of the week was the formal signing of the new Anglo-Egyptian treaty at the London Foreign Office Aug. 26. As regards the latter, the incident was more of an indication of what may come in future rather than any *fait accompli.* At Pretoria, Aug. 23, Dr. D. F. Malan, leader of the Nationalist Party, made an address in which he outlined a plan for the establishment of the Republic of South Africa. He advocated a complete break with Imperial conferences, the abolition of imported Governors General and the substitution of a President for the King. He advocated that the head of the new State should be elected in accordance with a new Constitution to be drawn up by the people. Dr. Malan added that the steps he outlined had been adopted by Ireland which, he declared, was at the door of an independent Republic. There was no indication in either case that the trend was *anti-British.* It is merely the case that the wards feel that they have grown up and don't wish to be held on leading strings. The new treaty between Egypt and England provides for "alliance and friendship." According to its terms, British troops are to be withdrawn from Cairo and stationed in Ismailia. Ultimately, Egypt is to be responsible for the defence of the country and the Suez Canal, but the number of British troops is not to be reduced till the Egyptian Army is adequately strengthened. The British air force is to be largely increased, and an important British naval base is to be created at Alexandra, for which Great Britain will pay rent. Sir Miles Lampson, High Commissioner for Egypt and the Sudan and former British Minister to China, was chief British delegate at the negotiations leading to the conclusion of the pact.

A message from London, Aug. 22, stated that the European situation is having repercussion on the defence plans of the British Dominions. The preoccupation of the Royal Navy with dangers in the Mediterranean has awakened Australia and New Zealand to the necessity of accelerating their own defence provisions. The Australian Defence Council has decided not to wait completion of the three-year defence program in 1937, but is launching a further defense program in September which, by overlapping the present program, will mean an expenditure of about £8,000,000 in the current financial year. The plans include the installing of oil tanks at Darwin and Sydney. In the New Zealand Parliament in an all-day debate on defence August 22, both parties agreed on the necessity of defence and the vital necessity of co-operation with Australia and Britain in a common plan.

The holding up of the German steamer *Kamerun* Aug. 19, by a Spanish Government cruiser off the coast of Cadiz has given the German Government an additional excuse for showing sympathy for the Spanish rebel cause. One of the results was that a stern warning against any further interference with German shipping was wirelessed to the commanders of Spanish warships by Rear-Admiral Carls, Commander-in-Chief of German war vessels in the Mediterranean. Rear-Admiral Carls condemned the *Kamerun* incident as a "crime agains the right of free shipping in the open seas." Meanwhile, the "pocket battleship" *Admiral Graf von Spee,* the cruisers *Leipzig* and *Nuremberg,* and a number of torpedo-boats left Kiel to relieve other German warships in Spanish waters. However, a *Reuter* message from Berlin stated that the German Government had prohibited the deliveries of arms, ammunition and other war materials to Spain. It was stated that the Reich had taken this step in view of the fact that all countries concerned were agreed in principle to join the neutrality pact proposed by the French Government. The Spanish Government warships have also stopped British ships, the latest instance being the searching of the s. s. *Gibel Zerjon.* The Spanish Government has, however, given assurances that British ships will not be stopped on the high seas in future.

A *Reuter* message from London, Aug. 20, stated that the unilateral action of the British Government to make effective the essentials of non-intervention in the Spanish civil war, in anticipaton of a general agreement among interested Powers on the proposals drawn up by the French Government, has been carried a stage further by an announcement of the Ministry of Air to the effect that in view of the decision of the British Government to prohibit the export of aircraft to Spanish possessions, and the Spanish zone of Morocco, any pilot convicted of an offence against the air navigation order or the Customs acts, by reason of having made a false declaration to the Customs authorities in respect of the destination or other particulars of the aircraft, will come under consideration of the Secretary for Air, with a view to cancellation or suspension of his pilot's license. All pilots are warned that a serious view will be taken of any attempt to deliver aircraft directly or indirectly to Spain or the above-mentioned territories in evasion of the Government prohibition.

Telegrams from various parts of the Continent insist that there is no immediate prospect of

a general war in Europe despite the disturbed conditions, as ninety-five percent of the population wants peace. Indications in the opposite direction, however, were that next autumn the Soviets will recruit an additional million men, this number being sucured by lowering the military age to 19 years. War maneuvers were held during the week in France, Germany, Czechoslovakia, Yusgoslavia, Rumania, Hungary, Bulgaria and Austria.

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The London *Economist*, which is not only an authority on finance, but expresses itself very independently and "sanely" on political matters—for example, during the World War it debunked many of the propaganda lies that had been circulated against the Germans—in its issue of Aug. 21 made on urgent appeal in favor of British support to Spanish Democracy. Standing out as the only exception among Britain's moderate press organs, the *Economist* professes the viewpoint that the proposed declaration of non-intervention in Spanish affairs will prove inefficient and that it was unwise on Britain's part to prohibit exports of arms, munitions and airplanes to Spain while the Fascist powers continue supplying the rebels with war materials and aircraft. Sooner or later, the article said, "It will be necessary for Britain to take a definite stand and to declare that her interests compel her to support the Madrid Government for two reasons: firstly, because it is necessary to protect a democracy, and, secondly, because of the strategic necessity of checking Italy's and Germany's ambitions in the Mediterranean. We do not think it is hypocritical to defend our interests when they coincide with our duty and with common sense. Unless the British Government shows without delay its readiness to act in concert with France and others in support of the international rights of a legal democratic government, the rebels might score a victory which would mark a prelude to irrepressible success of dictatorships throughout the European Continent to which we are indissolubly bound."

In a world beset with dictators and repression of the press and free speech, Britain shares with America the distinction of maintaining a sane view on such mattetrs. There are almost daily instances to prove that Britain allows its press extreme liberality. Incidentally there are examples now and then to show that those who abuse their privileges will have to suffer. As a specific instance, take the literature of the League Against Imperialism, which has its headquarters in London. Like all documents of such character, in accordance with the law the name and address of the printer is stated thereon. This literature is highly critical of England's history. The slave trade and the rather inglorious history of India are gone into in great detail. The literature is of a tone which in any country on the Continent of Europe (with the possible exception of France) would subject the author and printers to a term of imprisonment. It is quite probable that a publication with a similar anti-American tone would be barred from the mails in the United States. A little incident that occurred in England several weeks ago illustrates one phase where the press is not "free". It is not free to discuss matters which are likely to prejudice the fair trial of a case, either civil of criminal, in the courts—a rule that is frequently violated in the United States. In this particular instance two London papers printed matter concerning the past history of the man that had allegedly attempted to draw a pistol on the King. The Courts summoned the two newspapers for contempt. The newspapers immediately apologized, but that did not prevent them from being fined several hundred pounds each for contempt of court, it being held that the articles they had printed were likely to prejudice a fair trial for the accused. The two offending papers had succumbed to the temptation to make themselves popular with the public by publishing matter detrimental to the would-be assailant, but their venture into sensationalism cost them dear. It would probably have cost them much more had they not apologized.

Kansu, Focal Center of Reds in China

BY THE REVIEW'S HANKOW CORRESPONDENT

THE Red armies are marching again—this time concentrating on Kansu. Both from Sikong and Szechuan on the south and from Shensi to the east, one group after the other is making its way over the border. Conditions are very serious, as the only bus route from Lanchow to Sian, Shensi, is constantly being threatened by Reds both to the south and to north. Marshal Chang Hsueh-liang's campaign against the Communists has had the effect of driving them out of Shansi and Shensi.

All missionaries in Kansu have been warned by the respective consuls to evacuate. Lanchow, the capital of the province, is the only safe place at present. From Lanchow there are two avenues of escape. The one way is down the Yellow River on goat-skin rafts to Paotou and then on to Peiping by rail. This is the route the missionaries took last year, when the Reds threatened Lanchow. The alternate route is by air, Lanchow to Sian. This year plans are said to include the immediate evacuation of officials, missionaries, and others should the necessity arise.

Reds Almost Capture Missionary and Wife in Minchow

On the 4th of August a missionary and his wife were itinerating southward from Titao. Arriving at Minchow they were busy making ready for a two-week conference with their Chinese coworkers, when the alarm was raised: The Reds are coming. Even the magistrate came in person urging them to flee at once. The next morning found them on horse-back wending their way over rough mountain passes. The Reds at one time were reported to be only twenty li, seven miles, away, the firing of guns being distinctly heard several times. Coming back to Titao, they were forced to head for Lanchow and safety, the Red forces having driven northward with a vengeance. Although the government troops have been sent to check their advance, the Reds are determined to continue their march.

Red Russian Spies in Kansu?

On their travels in Kansu foreigners have of late met an unusually large number of well-dressed foreigners, supposedly of Russian nationality. There are quite a number in Lanchow city and when questioned have nothing but evasive answers, or a shake of the head as though they did not understand either Chinese or English. It is rumored quite frequently that Russia is beginning to stiffen her upper lip and is about to say to Japan:

(*Continued on page 474*)

Japanese Help Inner-Mongols Expand Westward, Create Fourth Puppet "Kingdom"

BY THE REVIEW'S TIENTSIN CORRESPONDENT

THE present tense situation on the Chahar-Suiyuan frontier caused by the fresh incursion of the Manchukuo troops under General Li Shou-hsin and allied "bandits" into Suiyuan may be interpreted as a new machination of the Japanese Kwantung Army to expand the Inner Mongolian "kingdom" of Prince Teh Wang westward. In a sense, this move may be likened to the Japanese invasion of Jehol Province in 1933, when after establishment of the Manchukuo "empire" in the preceding year, they had discovered that the three original Manchurian provinces of Mukden, Kirin and Heilungkiang were not sufficient for the "empire," and decided to expand it southward to include Jehol Province too. It will be remembered that Jehol Province was included in the North-Eastern Provinces only in the closing years of Chang Tso-lin's regime in Manchuria, till then it being a part of Chihli (now Hopei) Province.

That the Japanese have all these years been engaged in espionage and intrigue in Inner Mongolia has been known long ago, and these activities appear to have brought definite results only recently. According to recent press reports, Prince Teh Wang, the most influential prince in the Silingol League, has set up an independent military government at Chiapussu, until recently a seat of the Mongolian Autonomous Political Council, of which he is vice-President.

Unlike the births of Manchukuo and the East Hopei "kingdom" of Yin Ju-keng, the creation of a new Mongolian "State" out of all Mongolian banners in Chahar Province appears to have been achieved as *fait accompli*, without troubling about any declarations of independence or similar formalities likely to draw the world's attention once again to Japanese activities on the continent. For all practical purposes, Chahar Province, where these developments are taking place, is a closed country, no one except the Japanese military having access to the interior of the province. It is said that even foreigners, including many White Russians, purchasing agents of firms in Peiping and Tientsin, are not allowed to leave the interior of the province, at least for the time being.

If this uncertain position continues any longer, it is feared that some firms, having purchasing agents stranded in Inner Mongolia, may experience difficulty to deliver contracted goods, as, for instance, furs and skins, sheep wool and sausages casings, and so on, which come largely from Inner Mongolia. Kalgan is the principal centre dealing in these goods.

Recent reports stated that Prince Teh Wang, although a nominal head of a military government controlling Mongolian banners in Chahar Province, is a virtual prisoner in the hands of his Japanese advisers, who allegedly follow him wherever he would go. This reminds one of a similar policy pursued by the Japanese at the time of the creation of Manchukuo in 1932, when all Manchurian "leaders," from Pu Yi downward, were first of all deprived of the possibility to move about freely. Even now, not one of the "Manchu" officials of Manchukuo can at his free will move about the country nor leave it, except perhaps for Japan. Under these conditions, it is highly improbable that Prince Teh Wang will ever arrive at Peiping or Tientsin, as he used to do formerly, lest he should escape to a foreign concession in Tientsin.

Thus, it is obvious that within these few months the Japanese have set up another, a fourth in succession, puppet State, Inner Mongolia, with Prince Teh Wang, of West Sunid Banner, as its figure-head. Reporting this development, the Tientsin *Ta Kung Pao* stated that the new government consists of eight departments, namely, foreign affairs, education, justice, reconstruction, home affairs, finance, trade and industry, and communication. Besides it has an advisory board and a general staff, composed of Japanese advisers, the report stated.

The subtle manner in which this scheme has been carried out may be seen from the fact that, preparatory to it, in December last, the Japanese moved the Manchukuo troops, commanded by General Li Shou-hsin, into South Chahar, and thus they cut off the northern part of the province, or—in other words—the Silingol League of Inner Mongolians, from the rest of China. After that, they began cajoiling and otherwise working up Prince Teh Wang to fling in his lot with that of Japan and Manchukuo. It appears that the Prince had successfully warded off these suasions for about a year, as his numerous telegrams to the Nanking Government, testifying his loyalty, have amply proved. However, he could not, for obvious reasons, withstand the terrible pressure brought to bear upon him for any length of time and finally succumbed, placing himself into the hands of his "advisers."

According to recent reports, Prince Teh Wang is now busily engaged in recruiting soldiers for his army. The report stated that a considerable number of these recruits had already arrived at Tehhua and Chiappussu, where they were allegedly undergoing rigid training by Japanese instructors. Another report was to the effect that Pao Yen-chin, until recently a resident representative of Prince Teh Wang in Peiping, was also busily recruiting soldiers for the Mongolian army, for which purpose he allegedly even visited Mukden.

All these developments in North Chahar clearly indicate that the Japanese have set up another puppet "State," Inner Mongolia, very similar in constitution to "Manchukuo" and "Chitung" (East Hopei), already existing. Under these conditions, the authority of the Hopei and Chahar Political Council, headed by General Sun Cheh-yuan, does not spread beyond the environs of Kalgan, in Chahar Province, the rest of the province being ruled by Teh Wang's "Government."

Furthermore, it appears that, by engineering the present invasion of Suiyuan Province by Li Shou-sin's troops, the Japanese are endeavoring to round off the new "puppet's" territory by including therein Mongolian banners of Suiyuan Province. Evidently, it is considered that the Silingol League, forming the nucleus of the Mongolian "State," is too small a territory and that it should expand westward to draw in the Mongols of Suiyuan, namely, four westernmost banners of Chahar Mongols, Tumet Mongols and Olanchab League. If this scheme succeeds, the Japanese may try to include in the new "State" even Alakshan and Edsin Gol Mongols, inhabiting Ninghsia Province, still further to the west of Suiyuan. Then it would include the entire geographical confines of Inner Mongolia, completely encircling Outer Mongolia from the east and south and driving in a powerful wedge between China and Outer Mongolia on the one hand and between China and Hsinkiang on the other.

Therefore, the creation of a Inner Mongolian "State" and expanding it westward is primarily a strategic move, quite in line with a declared policy of the present Japanese Cabinet "not to let China and the

U.S.S.R. shake hands," that is, to ward off these two States, forming a sort of military alliance to protect themselves from a possible Japanese aggression.

It is interesting to observe the method used by the Japanese to attain this clearly visible objective, that is, the westward expansion of the Inner Mongolian "State." For that purpose, they are trying to use a minor trouble in Olanchab League, in Suiyuan Province, as pretext for expanding the authority of Silingol Mongols, headed by Teh Wang, over all other Mongol groups in the neighboring Suiyuan Province.

As is known, the trouble arose last year over the dismissal of Prince Dorlchi (Prince Shi), chief of the West Banner of Olanchab League, in Suiyuan Province, by the Mongolian Political Council, allegedly for maladministration. It must be said that the Council is headed by Prince Yun, chairman of Olanchab League, to which Prince Dorlchi belongs, and by Teh Wang, the head of the Silingol League, in Chahar Province.

Prince Dorlchi refused to obey the order of the Mongolian Council, contending that the Council had no right to dismiss a hereditary prince from his office and appealed to General Fu Tso-yi, chairman of Suiyuan Province, to uphold the law, which was confirmed on several occasions by the National Government. General Gu Tso-yi sided with the Prince Dorlchi, whereas Princes Yun and Teh Wang upheld the decision of the Council and appointed a successor to Dorlchi, whom they sent to the West Banner under the escort of three hundred armed men.

The dispute was somehow settled by a compromise, whereby Dorlchi had to quit his office for the period of eight months, after which he had to be reinstated in office again. This period having elapsed only recently, Prince Dorlchi returned to the West Banner, but no sooner did he do so when his palace was, all of a sudden, attacked on the night of August 11, by Ita Lama, whose political affiliations remain obscure. The Prince barely escaped with his life to Paotouchen, the terminus of the Peiping-Suiyuan Railway. From there, he again appealed to General Fu Tso-yi, chairman of Suiyuan Province, for help.

At present, a virtual state of war exists on the Chahar-Suiyuan frontier due to the attempts of the Manchukuo troops, commanded by Li Shou-hsin and "bandits," who usually accompany these troops, to invade Suiyuan Province. The object of this invasion, doubtless engineered by the Kwantung Army, since Li Shou-hsin is a subordinate to it, cannot be otherwise than the annexaction of the following Mongolian territories in Suiyuan Province to the newly formed Inner Mongolian "State"; (1) four westernmost banners of Chahar Mongols, now included in Suiyuan Province, (2) six somons of Tumet Mongols, (3) Olanchab League and (4) Ordos or Yeghe Jo League.

If this scheme succeeds 100 per cent, then nearly the entire territory of Suiyuan Province will have been included in the Inner Mongolian "kingdom." Besides it will open the road for the possible annexation of Alakshan and Edsin Gol Leagues in Ninghsia Province, which are still further to the west, near the junction of Kansu and Hsinkiang Provinces, to the Inner Mongolian "kingdom."

Since the Suiyuen Provincial troops are resisting the invasion, it is too early yet to say what the present warfare may lead to. From the standpoint of Japanese strategy, it is certainly the encirclement of Outer Mongolia, from the east and south by means of extending Japanese control over the entire length of the strategic Peiping-Suiyuan Railway, the western terminus of which, Paotou, has been so far somewhat out of their actual control, although in case of a major emergency they could occupy it outright.

Tientsin, August 13, 1936.

"Raja" Pratap, Tool of General Matsui, Returns to Japan

BY K. OKURA

"Raja" Mahendra Pratap, tool of General Iwane Matsui and other Japanese Pan-Asia exponents, has returned to Japan from Shanghai.

The whole incident has passed practically unnoticed in Shanghai papers. The *China Press* some weeks ago mentioned news of his arrival, whlie the *North-China Daily News*, in a sarcastic editorial article which did not hit the point, condemned Raja Pratap for his dickerings with Germany during the World War.

Pratap, who calls himself "Servant of Mankind," has an interesting history. After skittling around the world several times and meeting such diverse people as N. Lenin, L. Trotsky, and the Kaiser of Germany, he landed in Japan. Tanin and Yohan, in their book *Millitarism and Fascism in Japan*, say this of Pratap:

"In British India also the agents of the Black Dragon society got into contact with various national groups. Bose, the representative of one of them, took up permanent residence in Japan where, as a member of the Black Dragon society, he worked among the Indian merchants and students who lived in Japan. Another, Pratap, whose expulsion from Japan was demanded by the British Embassy, was concealed by the Black Dragon society; then he was secretly sent to Afghanistan where he became naturalized, and finally he returned to Japan as a member of Ammanulah Khan's staff."

In 1927-28, Pratap made his first tour in China as an exponent of the then yet poorly organized Pan-Asiatic movement, though he had traveled extensively before in China, including Tibet. He had little success, traveled, and returned to Tokyo. Early in 1933 he evolved a so-called "World Federation" plan,—a fantastic creation of his own mind. The "World Federation" plan subsequently changed in name to "World Peace," "World Family," "World Religion," "World State," "World Army," "World Co-operative," and finally back to his old love, "World Federation,—on the basis of universal understanding, love, justice, renunciation, and service."

Pratap then opened a "World Federation" club in Tokyo in 1933. One purpose was to attract foreigners, and to draw them out in discussion. Japanese spies at the meetings took note of every word spoken by the foreigners, and as a result some of them were deported from Japan.

Late in 1934 Pratap made a tour in the interests of "Pan-Asia" to Canton. Hollington K. Tong, then editor of the Shanghai *China Press*, effectively exposed Pratap's mission, and whether or not it was for this reason alone, Pratap was deported from Canton.

In July of this year, Pratap arrived in Shanghai. He hoped to make the headquarters of his Pan-Asia movement in Nanking or Shanghai. In Nanking he saw President Sun Fo, and Wang Shih-chieh, Minister of Education, to whom he explained his "Golden Land" scheme, which was hatched in Tokyo. He failed. He failed also in Shanghai, and in his own magazine "World Federation" remarks that ". . . no Chinese gentleman cared to slip even one dollar in our fund . . ." Darn clever, these Chinese!

But Pratap is not wholly quenched, nor is he an entirely harmless individual. He now plans to open up a permanent "World Federation" office near Tokyo from whence to spread Pan-Asia propaganda to all parts of the world. There is no proof to say that he is directly subsidized by the Japanese, but that he is encouraged by them is unquestionable.

Pratap is just one of the many foreigners, who like Bose and the "monk" Chao Kung, receive spiritual if not material aid from the Japanese. These men in themselves are harmless, but it must not be forgotten that they have effective support and that their pro-Japanese propaganda reaches all parts of the world, where it undoubtedly influences gullible people. Pratap failed once more in China, but he is still active. He should be effectively exposed as a Japanese agent at every turn.

Tokyo, Aug. 20, 1936.

Kuwajima Sees Need for More Efforts by Industrialists in North China

Japanese industrialists should invest "much more capital" in North China than they are doing at present in the opinion of Kazue Kuwajima, director of the Bureau of East Asiatic Affairs of the Foreign Office. "It is not suffiicent to establish new cotton mills," he said. "For instance, they should form a huge financing syndicate or carry out some other concrete project." Mr. Kuwajima, however, denied that the formation of a company for the development of cotton cultivation in North China was being contemplated. "Japan is now confronted with the task of developing North China economically," he told reporters in an interview after he had addressed a joint meeting of representatives of the Cotton Spinners' Federation and the Association of Japanese Cotton Millowners' in China in Shanghai. "The means used are immaterial. We can invest singly or jointly with the Chinese. But the essential thing is to secure a source of raw material for Japan's industry."

Tsai Ting-kai Joins Hands With Kwangsi

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

WAR between Kwangsi and Nanking appears to be inevitable. With the sudden arrival of General Tsai Ting-kai (head of the 19th Route Army which was dispersed in Fukien two years ago after the abortive revolt of the People's Government) in Nanning, the Kwangsi commanders have taken a very firm stand against the edict of the Central Government. As the chief commander of the Sino-Japanese undeclared war of Shanghai in 1932 Tsai Ting-kai is popular with the overseas Chinese. Simultaneous with news of his arrival in Nanning (Kwangsi capital) Wuchow reports state that Generals Li Chung-jen and Pai Chung-hsi are organizing a Separatist Government with General Li Chung-jen as its first Chairman.

To most observers there must be a good reason which prompted Tsai Ting-kai's joining hands with the Kwangsi group, when it is realized that Kwangsi alone has little chance of winning a war against the Nanking Government. Tsai Ting-kai's move may be, to some extent, due to the fact that certain of his old colleagues of the 1934 Fukien People's Government such as Marshal Chi-shen and others were in Kwangsi but the reason of his going to Kwangsi is found elsewhere. It will be recalled that when Chen Chi-tang was about to leave Canton for the British Colony of Hongkong on July 18 the South-western military group of Canton made a last minute offer to Generals Tsai Ting-kai and Chiang Kwang-nai (both former Nineteenth Route Army men) to join Canton against Nanking. Negotiations failed, because Tsai Ting-kai at that time demanded that Chen Chi-tang must first of all discarded the false "anti-Japanese" mask and tell the world that the South-west was opposed to anything Japanese. In other words the movement in Canton must not be anti-Japanese and but anti-Chiang Kai-shek pure and simple, otherwise the 19th Route Army leaders preferred to stay away from the complication. Again to the Kwangsi Government Tsai Ting-kai has made the same demands as the foremost conditions for their assistance. This time Kwangsi accepted these terms. It is in accepting these terms that the South-west movement, now confined to Kwangsi, has taken an important turn which involves the Communists. In severing all connections with the Japanese, who in recent years supplied arms and ammunitions to the Kwangsi Government because the Nanking Government refused or delayed in issuing permits for arms required by Kwangsi, Chinese sources in Hongkong say that Kwangsi is now looking forward to Russia for support.

In fairness to the Kwangsites it must be pointed out that the rumors of the Kwangsi alliance with Russia were first encouraged by the fact that General Chen Ming-shu was visiting Russia during the last few months. That Chen Ming-shu has the closest of connections with the Nineteenth Route Army needs no denial, but it remains unconfirmed whether during his sojourn in Russia Chen Ming-shu had ever approached the Russian Communists for any form of assistance. At this preliminary stage when we cannot even find a single Russian in Kwangsi and when news of the Kwangsi-Russian pact is officialy denied by the Soviet Embassy, but as impartial observers we must not make any hasty condemnation of Kwangsi, until facts are proved.

Against the overwhelming Nanking-Kwangtung allies, the well known Kuominiang strategist, Pai Chung-hsi, has a good plan in mind. He is confident that the mountainous conditions of most parts of Kwangsi will make the operation of air bombardment difficult of success.

Another factor which must have encouraged Li Chung-jen and Pai Chung-hsi to defy Nanking orders is the fact that most of the Kwangsi commanders favor resistance rather than submission.

But Apart from the defection of the four Kwangsi military airplanes this province still possesses forty odd bombers and fighting aeroplanes. To prevent further dis-affection these aeroplanes will be piloted by Kwangsiites, when hostilities break out.

Kwangsi Citizens Favor Peace

Viewing the Kwangsi situation from all angles it must be admitted that for the Kwangsiites to fight and wirt five important factors must come under the warlords' serious consideration, namely: 1, the morale of the people and troops; 2, money, without which no war can last long; 5, arms and ammunition; 4, food provisions and 5, strength of the troops.

Regarding condition No. 1 Kwangsi is fighting against great odds because despatches from Wuchow and Nanning described that there was a strong public sentiment against war. The 13,-600,000 citizens of Kwangsi have suffered greatly because of the continued depreciation of the Kwangsi paper currency and the inevitable high cost of food and daily necessities, which was precipitated by the war preparations and heavy Government purchases of rice and food-stuffs. Wuchow citizens recently organized a peace meeting in which the leaders vehemently denounced internal strife, while our eastern neighbors are mobilising troops in Inner Mongolia to invade Chahar and Suiyuan. There is still another important factor. When the Kwangsi Government mobilised and trained the 120,000 militiamen by ordering each villages to provide so many able bodied youngsters as volunteers two years ago there existed a strong feeling in acertain section of the Kwangsi community against conscription. When these militiamen were recently mobilised for services to the Kwangsi frontier resisting the assault of the Yunnanese some of the militia revolted at Lungchow near French Indo-China.

The Kwangsi Government has purchased many consignments of arms and ammunition from Japan and other foreign countries, long before the South-west military movement was proclaimed on June 1 last. A Kwangsi official pointed out recently that Nanning had been compelled by circumstances to buy from Japan, because when appeals were made to Kwangsi for permits the latter could not be obtained until after six months or even one year. To remove any misunderstanding which the public may have against Kwangsi, the Nanning Government formally informed the defunct South-west Political Council and the late Hu Han-min last year when Kwangsi ordered the first cargo of arms and ammunition from Japan. Airplanes and anti-aircraft guns were included in these purchases. Because the Kwangsi officers had little knowledge about these most modern type of bombing airplanes and anti-aircraft guns, Japanese military experts were invited to Wuchow and Nanning to give training to the Kwangsi officers. But all these Japanese experts, added the Kwangsi informant, were dismissed before June 1.

The Price of Peace

That Kwangsi will be handicapped by the meagre stocks of food within Kwangsi territory is explained by the commonly known factor that Kwangsi is not self-sufficient in her rice supply. Financially Kwangsi is also not self-sufficient. In this connection General Pai Chung-hsi in his peace negotiations with General Chiang Kai-shek originally asked for a monthly Nanking subsidy of $1,000,000 and $500,000 a month from Kwangtung for Kwangsi. To these demands Chiang Kai-shek has made known to Kwangsi that Nanking can easily and willingly provide the $1,000,000 a month if Nanking appoints its own civil governor of Kwangsi and knowing that the $1,000,000 will go to the improvement of the economic and general conditions of the 13 million Kwangsiites.

After nearly two months' preparations, the Nanking Generalissimo to-day is in a position to move 600,000 troops into Kwangsi from Yunnan, Kweichow, Hunan and Kwangtung provinces on each side of Kwangsi. But if Chiang Kai-shek has great confidence on his 600,000 picked troops or provincial allies, Pai Chung-hsi has also found great pride in his newly trained 120,000 militiamen.

But one thing is pretty certain. If the Kwangsi war is found unavoidable then General Chiang Kai-shek will have to make it a swift campaign. Because there is the fear that is the struggle is prolonged foreign complications may set in. What the Japanese may do in Chahar and Suiyuan is another problem.

Canton, August 21, 1936.

Scientific Societies Hold Joint Meeting at Peiping

The joint annual meeting of seven scientific societies (including the Science Society of China and the socieites interested in Physics, Chemistry, Botany, Zoology, Geography and Mathematics) assembled at the National Peking University Aug. 17 to 20. The delegates were entertained at a luncheon jointly given by the Post-graduate School of the National Peking University, the Peiping Library, Peiping Palace Museum, the National Peking University, the National Peiping Normal University, the National Peiping University, Universite Franco-Chinoise, Fan Memorial Institute of Biology, the Board of Trustees of the China Foundation for the Promotion of Education and Culture, and other cultural organizations. A reception in their honor was given by the China Physiological Society at the Peiping Union Medical College in the afternoon. In the evening they were the guests at a dinner jointly given by General Sung Che-yuan, Chairman of the Hopei-Chahar Political Affairs Committee, and Mayor Chin Te-shun.

Bills Motors, Shanghai, Sell Ford Cars for Delivery in All Parts of the World

The average person in Shanghai probably thinks that the activities of Bills Motors, Shanghai dealers for Ford cars and trucks, are limited to Shanghai and the immediate area. Such is not the case, however, as many sales of Ford cars are made by this organization for delivery in all parts of the world. Orders are received regularly for delivery in the U.S.A. and England while quite frequently orders are received for delivery in Germany, Belgium, France and many other countries. A recent sale was for delivery in Kenya, East Africa. In this case, the car was a Canadian Ford which had to make a very long journey from East Windsor before reaching its final destination.

Japanese Plans for Developing North Manchuria

BY THE REVIEW'S HARBIN CORRESPONDENT

YOSUKE Matsuoka, president of the South Manchuria Railway, appears to have several interesting plans up his sleeve with regard to the economic development of North Manchuria. During his recent visit to Harbin, when interviewed by the local press, he declared that the development of this part of the country should be directed towards improving agriculture, especially livestock breeding. "It is my long cherished idea to see large flocks of cattle grazing or the plains of North Manchuria," he said. "At present, the economic development of South Manchuria is making great strides forward, and it appears that the time has come when greater attention should be paid to North Manchuria, which has remained somewhat in the back-ground."

As the first step in this direction, he referred to the contemplated opening of the meat canning factory in Harbin, saying that, for this specific purpose, he has secured the services of Carl Raymond, a German, under whose supervision the factory is now being built. Although Y. Matsuoka appears to be overenthusiastic about the prospects of this factory, the local businessmen seem to be of different opinion, because, they say, in view of the comparative cheapness of meat and abundance of its supply, the new factory would have no market for its product, unless it is being built for military purposes.

Another of his projects is still more interesting. It deals with the extensive cultivation of the round-shaped potato in North Manchuria, of which Japanese are said to be especially fond. He said he had many friends in South America (probably amongst Japanese colonists in Brazil), specialists in this line, and that he contemplated inviting some of these men to North Manchuria, where they would supervise the cultivation of this sort of potato. Whether it is a mature plan of the railway president or a mere talk is not known. At any rate, he left his interviewers to guess at to the extent of the proposed cultivation of this type of potato, where and when it should be tried and how it would be financed, at least in its initial stage.

Of more serious nature are certainly the plans with regard to developing cattle-breeding in North Manchuria, for recent investigations into the present state of life-stock in the country have shown the disastrous fall in the number of cattle. According to these investigations, carried out by the authorities in Changchun, the number of cattle in the whole of Manchuria is put at 1,360,000 oxen, 1,800,000 horses, 780,000 mules and 530,000 asses. Of these, those in the possession of the agricultural population are put at 680,000 oxen, 1,260,000 horses, 233,000 mules and 150,000 asses. In comparing these figures with 29,000,000 "Manchus" engaged in farming, the fact that the entire farming is carried out by human labor become self evident. In respect to increasing the number of cattle in Manchuria, the authorities appear to entertain great hopes of getting supplies from Inner Mongolia (Chahar) and Hsingan provinces, but these hopes appear to be ill-founded because of a disaster last winter, which, according to all reports, claimed a good part of Mongolian cattle, frozen to death.

Live Stock Breeding and Wheat Cultivation

It appears that, in the long run, Mr. Matsuoka has no well laid-out program for the improvement of livestock breeding in North Manchuria. In an interview, he said that 100 million yen, spread over a period of five years, would appear adequate for the improvement of cattle-breeding and wheat cultivation in North Manchuria. In regard to wheat cultivation, he thinks the region inclosed by the Tsitsihar-Keshan, the Hulan-Hailun and the Chinese Eastern railways, and now devoted principally to soya bean cultivation, is the best. At any rate, it appears that with regard to both the improvement of cattle-breeding and wheat production in North Manchuria, the S.M.R. has no ready program, this being apparently still in the stage of investigation.

On the other hand, the Manchukuo Government appears to have a greater interest in increasing the cattle herds. It now maintains eight cattle-breeding farms in various parts of Barga and South Hsingan. Besides, it has two sheep raising farms, one at Wangyehmiao (on the Solun Railway) and the other at Chalamute, both devoted to improving the Mongolian breed of sheep through cross-breeding with Australian merino. In this espect, there is no lack of enthusiasm over the prospects of, rsheep-raising in Manchuria, some even venturing the opinion that in the not distant future, Japan would become self-sufficient in this commodity.

This is a very interesting question, requiring special study; however, the fact must be admitted that in the light of existing conditions neither Manchukuo nor China will be in a position, in the predictable future, to export sheep wool to the extent of making Japan independent of foreign supplies. Japan's imports of raw sheep wool are roughly put at 1,500,000 piculs a year, mostly from Australia, with which country she is now at "war," whilst her present imports from China fall miserably short of the total Japanese imports; in 1933 and 1934, Japan imported, respectively, 6,040 and 3,656 piculs of sheep wool from China, whilst imports from Manchukuo could not have exceeded 16,000 piculs, the maximum surplus of wool that could be exported, judging by official statistics. And that fact should not be lost sight of that due to poor quality both China and Manchukuoan sheep wool cannot have extensive industrial use, this being confined to rug making and admixture in cotton or woolen fabrics. This explains the small quantity of wool imported annually by Japan from the Asiatic mainland, whereas the imports of pure wool from Australia have been mounting year after year, indicating the rapid industrialization of the country.

In addition to the two named "government" sheepraising farms, the S.M.R. has opened two more, one at Linhsi, the other at Tienchiatien, besides an old and extensive farm at Kungchulin. All this indicates that the Japanese have seriously taken up the task of improving the Mongolian sheep-breeding industry, principally by cross-breeding the local "fat-tailed" sheep with Australian merino. A serious setback was created for all these plans by a disaster of last winter, which, according to all reports, worked havoc to the entire Mongolian cattle-breeding. Figures are not available with regard to the number of cattle lost through exposure to cold, but the fact is self evident that, on account of this calamity, the improvement of livestock raising, especially that of sheep, must of necessity take many years. Besides, there are several inherent "special conditions" in Manchurian and, for all that, Chinese sheep-raising industry, which have to be overcome if the industry is to be improved to any appreciable extent:

(1) General ignorance of the natives, who appear to be unprepared for the delicate task of cross-breeding animals and raising their young under proper care.

(2) Absence of any economic inducement, the policy of buying raw material into one hand, that of a State-sponsored organization, elimating any competition from "outsiders," this being a serious deterrent in the development of the industry.

(3) Absence of any steady and unfailing financing of the project by the State or industry, which does not go beyond maintaining a few and poorly equipped experimental sheep-breeding farms, located far from the centres of the Mongolian population.

(4) Steady decline of the standard of living of Mongolian sheep-raisers due to natural calamities and general insecurity of living; rampant banditry, Soviet-Manchukuo frontier incidents, political uncertainty in Inner Mongolia, encouragement by the Manchukuo authorities o farming amongst Mongols, being the principal reasons that suggest themselves in this respect.

There is another plan which, judging by all reports, is having the serious consideration of the authorities of the S.M.R. in regard to the development of North Manchuria. It deals with the introduction of mechanized farming, a venture never tried before in Manchuria. The details of this plan remain unknown; however, a recent report in the press stated that in the forthcoming unification of the management of all railways in Manchuria, the General Direction of Railways, to be opened in Mukden on October 1 next, will have an Industrial Bureau, which, it is said, will supervise the introduction of mechanical labor in farming.

According to recent press reports, aside from the immigration plans worked out by the Manchuria Colonial Development Company and the Manchuria-Korea Colonization Campany (by the way, these plans deserve a special study), the South Manchuria Railway got up a separate plan of its own, envisaging the development of 3,000,000 "chobu" (7,350,000 acres) of railway hinterland by settling thereon "free" immigrants within the next five years.

As the first step towards the mechanization of farming, the S.M.R. has decided to appropriate, through the named General Direction of Railways, which, in fact, is its subsidiary, the sum of Yen 2,500,000 for the purchase of an initial batch of 100 tractors and to distribute them amongst agricultural experiment stations and the so-called "railway protection vigilance villages," organized along various railways in Manchuria with a view to warding off "bandit" attacks on railways.

This is rather a modest beginning, not commensurate with the noise around the project. It certainly falls short of, say, the mechanization of farming in Russia, where, according to all reports, not only is the tilling of land done by machines (tractors), but also gathering the crops, by means of huge combines, which do not so far appear in the Japanese plans for the mechanization of Manchurian farming.

All this leads one to think that the settlement of a Japanese family on Manchurian soil is going to be a costly affair. Evidently, the time, when a Shantung immigrant, with his wordly possessions strapped to his back, used to settle on land with nothing but his labor, is gone, never to return again.

Harbin, August 11, 1936.

Chiang Orders Withdrawal of Troops While Kwangsi Plans Independent Government

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang Orders Withdrawal of Troops From Kwangsi Border.**
2. **Li Tsung-Jen and Pai Chung-hsi Decide to Set Up Military Government.**
3. **New Peace Terms by Chiang and Counter-Proposals by Kwangsi Released.**
4. **Nanking Cancels Order for Arrest of Li Chi-sen and Chen Ming-hsu.**
5. **Tokyo, Changchun and Tientsin Japanese Officials Agree on N. China Issues.**
6. **Kawagoe Confident of Success of Japan-China Economic Co-operation.**
7. **Suiyuan Authorities Rush Troops to Eastern Border to Prevent Invasion.**
8. **Resignation of Gen. Chiang as Executive Yuan Head Rumored in Shanghai.**

In order to avoid misunderstandings between Kwangtung and Kwangsi troops while hopes for a peaceful solution of the Kwangsi situation have not yet been abandoned, Gen. Chiang Kai-shek, president of the Executive Yuan and Chairman of the Military Affairs Commission, has ordered the withdrawal of Kwangtung forces from regions close to the Kwangsi border, reported *Central News* Aug. 25. Meanwhile Gen. Cheng Chien, Chief of General Staff, has wired to Gens. Li Tsung-jen and Pai Chung-hsi, requesting a personal conference at a certain designated point convenient to both parties. This step is interpreted by political observers as representing Gen. Chiang Kai-shek's determination to settle the Kwangsi impasse by political means so long as there is still room for further negotiations. Gen. Ho Chien, Chairman of Hunan, who is now in Canton, has volunteered to go to Nanning to mediate in the differences between Nanking and Kwangsi. Gen. Ho was scheduled to leave for Nanning Aug. 26, according to *Reuters*.

Hopes for a peaceful settlement of the Kwangsi imbroglio prevail once again, according to a *Reuters* report Aug. 25. General Chiang Kai-shek, it is stated, has consented to the retention in Kwangsi of General Li Tsung-jen, while General Pai Chung-hsi has agreed to go abroad.

A Provisional Headquarters of General Chiang Kai-shek has been established at Whampoa with Gen. Chien Ta-chun, head of the General Affairs Department of the Military Affairs Commission, as director.

KWANGSI LEADERS DECIDE TO FORM MILITARY GOVERNMENT

A decision to establish a bogus military government in Kwangsi has been reached by Generals Li Tsung-jen and Pai Chung-hsi, military leaders of Kwangsi, and General Tsai Ting-kai, former commander of the 19 Route Army, reported *Central News* Aug. 25. The task of the organization of the bogus regime is vested in the hands of Liu Lu-yin, a close follower of the late Hu Han-min, and Chen Jen-min, C.E.C. member in Kwangsi. General Li is slated for the post as Commander-in-Chief of the Kwangsi forces with Generals Pai and Tsai as Deputy Commanders.

Military preparations are being feverishly rushed in Kwangsi, with their troops to be concentrated on the Kwangsi-Kwangtung border ready to launch attacks on Kwangtung by three routes. Sporadic warfare will be conducted by the Kwangsi forces along the Hunan-Yunnan-Kweichow border in order to check the central troops.

Minor skirmishes between advancing Kwangsi troops and Central government forces were reported by *Domei* over a wide front on Aug. 25. According to *Domei*, 40,000 men consisting of the forces under Gen. Chou Tsu-kuang and the hastily reorganized remnants of the 19th Route Army are said to be moving along three different routes. The main force of Kwangsi troops, which are said to be under the command of Gen. Tsai Ting-kai, are reported to have started from Shwanmuhsu, south of Wuchow, towards Lengchuan and Tucheng. Another column is stated to be on the move from Chenchi, in southwestern Kwangsi to Loting. The remainder is said to be advancing from Waitsai on the eastern border of Kwangsi, to Szchui. Gen. Hu Tsung-nan's troops, under the Nanking banner, have advanced from Kwanyang, east of Kweilin, to a point about 10 li southeast of Hsinan on Aug. 23, it was reported. This places them face to face with Kwangsi forces.

According to *Sin Wan Pao* Aug. 22, a total of 6,000 Kwangsi troops launched an attack on Fengchuan from Wuchow in the evening of Aug. 20. After a severe battle, which lasted three hours, the attackers were repulsed.

NEW TERMS FOR KWANGSI WARLORDS SAID OFFERED BY CHIANG

New terms are reported by the Chinese papers in Canton to have been offered by General Chiang Kai-shek to the intransigent Kwangsi warlords, Generals Pai Chung-hsi and Li Tsung-jen.

1.—That General Huang Shao-hsiung continued to hold his new appointment as Pacification Commissioner for Kwangsi.
2.—That General Pai Chung-hsi must go abroad, but with the title as Governor of Chekiang.
3.—That General Huang Hsu-chu retain the Governorship of Kwangsi.
4.—That the Kwangsi armies henceforth be known as the 5th Route Army.
5.—Central Government troops will not enter Kwangsi, but party affairs are to be readjusted by Nanking appointees.

The New terms means practically the acceptance by General Chiang of the Kwangsi warlords' counter proposals except as regards General Pai, whose departure the Generalissimo strongly insists upon.

The report that General Chiang Kai-shek at first gave the intransigent Kwangsi warlords three days in which to accept the appointments given them by the Central Government and then expended the time-limit for another week was denied by an official spokesman at Shanghai in an interview with *Reuter* Aug. 20. The spokesman said that proposals for a settlement of the Kwangsi imbroglio had been conveyed to Generals Li Tsung-jen and Pai Chung-hsi through General Liu Wei-chang, high adviser to the Kwangsi Army. Although the proposals were of a generous and liberal nature, they had not been accepted by the Kwangsi warlords, who instead presented counter-proposals which they were backing up with feverish war preparations. Negotiations, however, were still in progress. The spokesman denied the report that General Chiang Kai-shek intended to relinquish office as president of the Executive Yuan because of the pressure of his military duties.

KWANGSI SUBMITS FIVE COUNTER-PROPOSALS

Five new proposals have been advanced by Generals Li Tsung-jen and Pai Chung-hsi for a peaceful settlement of the Kwangsi impasse, it is reported by *Reuter* Aug. 24. The proposals, which were brought back to General Chiang Kai-shek by General Teng Shih-tseng, the Generalissimo's "peace envoy," are said to comprise—

1. Early declaration of war against Japan.
2. Re-enlistment of the 19th Route Army.
3. Cancellation of the order for the arrest of Generals Li Chi-sen and Chen Ming-shu, who participated in the abortive Fukien revolt in 1933.
4. Non-removal of Kwangsi troops from the province, unless for dealing with foreign aggression.
5. The original appointments of Generals Li Tsung-jen and Pai Chung-hsi as Pacification Commissioners to remain effective.

One report, however, states that the Kwangsi warlords have proposed that General Li Chi-sen and General Tsai Ting-kai be appointed Pacification Commissioner and Deputy Commissioner, respectively, of Kwangsi, and that the "new" 19th Route Army be recognized and supported as regular national troops. It is further stated that, if the proposals are accepted, Generals Li and Pai will retire, but whether they should go abroad or stay in Kwangsi must be decided by themselves.

A "Military government" is reported to have been established in Kwangsi with General Li Tsung-jen as Chairman, according to *Reuters* Aug. 19. The report declares that the military government was established following a meeting held at Nanning on Aug. 17, and that the following appointments were announced:—

General Li Tsung-jen—Chairman and concurrently Commander-in-Chief of the Army.

Generals Tsai Ting-kai and Pai Chung-hsi—Vice-Chairmen and concurrently Commanders of the First and Second Route Armies, respectively.

General Li Chai-sum—Director of the Reorganisation Department.

General Cheng Ming-shu Director of the Overseas Department and concurrently special representative for Foreign Affairs.

Liu Lu-yin - Director of the Publicity Department.

It is reported by *Shanghai Mainichi* Aug. 19 that Generals Li Tsung-jen and Pai Chung-hsi convoked a military conference on Aug. 17, at which the following decisions were reached:

(1) Kwangsi will fight against the Nanking Government to the last man;

(2) The whole mass of the Kwangsi people, including men and women, will join in the war;

(3) Beginning from Sept. 1, no salary will be paid to civil officials in Kwangsi but the Kwangsi Provincial Government will subsidize their families with funds for living expenses.

PARDON GRANTED TO LEADERS OF ABORTIVE FUKIEN REBELLION

Upon recommendation of Gen. Chiang Kai-shek, the National Government issued a mandate Aug. 25 cancelling the previous order for the arrest of Gens. Chen Ming-shu and Li Chi-sen, leaders of the abortive Fukien revolt in 1933.

FANG CHEN-WU AND EUGENE CHEN SAID JOINING KWANGSI

Shanghai Nippo reported Aug. 22, that Eugene Chen and Gen. Fang Chen-wu, a noted anti-Japanese general in North China, who have been travelling abroad, recently arrived at Hongkong and are preparing to go to Kwangsi.

According to a *Sin Wan Pao* report Aug. 22, Eugene Chen has reached Singapore. He will enter Kwangsi via Honaiphong.

As a result of the defection of majority of the Cantonese pilots in the Kwangsi air force, that branch of Kwangsi's fighting units has been greatly shaken, Lieut.-Gen. Lin Wei-cheng, Kwangsi air force commander, stated Aug. 19. Lieut.-Gen. Lin said that there were now only more than 20 planes left in the Kwangsi air force.

General Hsiung Shih-hui, Governor of Kiangsi, who arrived at Canton Aug. 24 on summons of Gen. Chiang, called on the Generalissimo in the afternoon of Aug. 25. Gen. Liu Hsing, acting Pacification Commissioner for Kweichow, has also arrived in Canton from Kweiyang to report to the Generalissimo on conditions of Kweichow.

Rear-Acmiral Chen Chi-liang, Vice-minister of Navy, arrived at Hongkong Aug. 24 aboard the gunboat *Hai Chou*.

Gen. Ku Chu-tung, New Chairman of Kweichow, together with other members of the Provincial Government, was sworn into office Aug. 24.

Madame Chiang Kai-shek, wife of the president of the Executive Yuan, arrived in Hongkong by steamer Aug. 23 from Canton, according to a report in *Shanghai Evening Post*. She was accompanied by Mrs. W. H. Donald, wife of the generalissimo's advisor, and Dr. Soumei Tcheng, prominent Chinese woman jurist.

The Kwangtung and Canton Chapters of the General Association for the Promotion of the New Life Movement held a joint inaugural meeting Aug. 22.

KWANGTUNG PROVINCIAL GOVERNMENT HOLDS FIRST MEETING

Abolition of ten kinds of usurious taxes in Kwangtung as recommended by Finance Commissioner T. L. Soong was decided upon at the first meeting of the new Kwangtung provincial government held Aug. 18 under the chairmanship of General Huang Musung. The abolished miscellaneous taxes include house tax in the various districts, fishery tax, cement surcharges, broken tire tax, machine tax, surcharge on admission tickets in Fatshan theaters, surcharges on bricks in Taishan, lime sales tax, tax on pigs in Lienchiangkou, and export duty on pigs in Chiungyen. It was also decided at the meeting that suppression of gambling in the province will be enforced on Sept. 1.

GEN. CHEN CHI-TANG SOON TO LEAVE FOR FRANCE

Following the receipt of the passport which the Central Government has sent him on Aug. 21, Gen. Chen Chi-tang, the deposed Commander-in-Chief of the Kwangtung forces, will leave for France with two of his associates, *Central News* reported Aug. 23. He will take the trip by the beginning of next month at the latest.

TOKYO, CHANGCHUN AND TIENTSIN SAID AGREE ON NORTH CHINA ISSUES

Following several days of conference in Tientsin between Japanese diplomatic and military authorities and the three special emissaries of the Ministries of War, Navy and Foreign Affairs from Tokyo, complete accord is understood to have been reached on various issues concerning Sino-Japanese relations in North China, *Central News* reported from Tokyo Aug. 24. Ambassador Kawagoe carefully elucidated the views of the Tokyo Government to the Changchun and Tientsin military leaders during the conference. The latter are now able to share completely the stand taken by their home government. With broad decisions already reached upon, Mr. Kawagoe is now expected to proceed along diplomatic channels with the important question of economic co-operation in Hopei and other pending issues.

As the result of a three-day conference in Changchun between Adm. Kagesa, Gen. Nakamura and Mr. Ota, Tokyo's special envoy to Manchuria representing respectively the Japanese Navy, Army and Foreign Office, on the one hand, and Gen. Itagaki, Chief of Staff, and other high officials of the Kwantung Army on the other, general outlines of a programme which will serve as the basis of negotiations with China are reported to have been worked out, according to a *Central News* dispatch from Tokyo Aug. 20. The programme, which was mapped out by the conferees on the three days of Aug. 17-19, strikes a mean between the views of the Japanese home government and the local military authorities, and was decided upon following explanation by the three envoys of Tokyo's considered opinion on the question.

A two-day conference of Japanese consular and diplomatic officials stationed in North China, with Shigeru Kawagoe, Japanese ambassador, in the chair, came to an end Aug. 23. Military officers, also gathered in Tientsin, also held their third and final session. They joined navy officers and diplomats in a round-table meeting Aug. 24 for a thorough exchange of views on North China problems.

Discussions at the conference held by representatives of the Japanese Army, Navy and the Foreign Office, at Tientsin Aug. 21 were centered on the following problems, according to *Shun Pao*.

1. Reports from all military officers.
2. The policy of the Japanese Army after the coup in Tokyo in February.
3. A report from Ambassador Kawagoe, regarding his diplomatic negotiations with the Chinese Government.
4. Proposals from the Japanese Navy.
5. The joint proposals made by representatives of the Japanese Army, Navy and Foreign Office regarding the present situation in the North.
6. Work to be carried out by all military officers in China.
7. Instructions from the Commander of the Japanese Garrison in North China to all the military officers.
8. Concrete discussions on the problem relating to the administration in North China.
9. Important discussions regarding the present situation in China.
10. Sino-Japanese economic co-operation.

KAWAGOE CONFIDENT OF SUCCESS OF JAPAN-CHINA ECONOMIC COOPERATION

S. Kawagoe, Japanese Ambassador to China, left Tientsin at 8.50 p.m. Aug. 24 for Tsinan en route to Shanghai by way of Tsingtao. Interviewed before his departure, Mr. Kawagoe declared that he felt confident that economic co-operation could be successfully carried out between Japanese Chinese in North China. "All my fears regarding the future of North China have been removed by this tour," he told *Domei*. "There is no need to worry." The ambassador declared that he was of the opinion that joint Sino-Japanese efforts for the economic development of North China should start in fields that would bring immediate and mutual benefits to both peoples. "Gen. Sung Cheh-yuan, I have found, is in full accord on this point. But to realize this it will be necessary to enlarge the powers of the Hopei and Chahar Council. I intend to devote much of my time to this subject during my projected conversations with Gen. Chiang Kai-shek in Nanking," Mr. Kawagoe said.

Interviewed by foreign correspondents at Peiping Aug. 20, Ambassador Kawagoe, said he had expressed the hope to General Sung Cheh-yuan, chairman of the Hopei and Chahar Political Council, that he would suppress Communist activities in the two provinces. He also discussed with General Sung economic questions in principle, but concrete plans would be formulated later. North China, the Ambassador said, was much poorer than the rest of China and required very careful attention and economic development, with Japanese technical and financial assistance. He hoped that Chinese capital would be used primarily, although Japan was ready to assist if necessary. Capital from other nationals would not be rejected, but he considered Japan, from the experience of her own industrial development, was the most suitable country to control the economic exploitation of North China. The amount of Japanese investment would be dependent on local conditions, which, he considered, were tending towards stability. Economic development was not necessarily limited to North China, but would at present be concentrated in the Hopei-Chahar area. Mr. Kawagoe said he had told General Sung Cheh-yuan that the economic development of North China was purely a local question and it was not necessary to refer to the Central Government. On his return to Nanking, he would inform the Central Government of this view. Generally, Mr. Kawagoe concluded, Japan was prepared to open negotiations with Nanking irrespective of whether the Chinese Government accepted Mr. Hirotas "three principles" or not.

Both official and unofficial Japanese circles will have to cooperate with the Chinese "gradually and steadily" if the economic development of North China is to be realized, Mr. Shigeru Kawagoe, Japanese Ambassador to China, believes. These views were expressed in an interview with Gen. Han Fu-chu, chairman of Shantung. Mr. Kawagoe is now on his way back from Tientsin to Shanghai by way of Tsingtao. "A certain amount of friction will be unavoidable in carrying out economic co-operation in North China so long as the Chinese have their own wishes and the Japanese have their convictions on how it should be effected, "the envoy remarked. He said that joint Sino-Japanese efforts were already bearing fruit in Hopei. "In Shantung, it is still in the investigation or planning stage. But I am told that a strong desire to see this co-operation realized exists and I am confident that it will be realized. I shall, of course, do my best, but it will also be necessary for the people on the spot to work hard," he said.

GENERAL SUNG TO REORGANIZE HOPEI-CHAHAR POLITICAL COUNCIL

Shanghai Nichi-Nichi Shimbun on Aug. 25 reported that General Sung Cheh-yuan has decided to reorganize the Hopei-Chahar political administration so as to get rid of the impure element and to cooperate with Japan in the economic development in North China. Meanwhile, Japan also becomes active in helping him to put into

effect the plan of Sino-Japanese economic cooperation. The disorganization of the Hopei-Chahar political power has a great effect on practical politics in North China.

Referring to persistent reports that Gen. Feng Yu-hsiang, erstwhile "Christian General" and now Vice-chairman of the Military Affairs Commission, was about to play a major part in drawing Shantung into Nanking's sphere of influence, the *Shanghai Nippo* on Aug. 21 editorial warned China against attempting to Japan from North China. The daily noted that Gen. Han Fu-chu, chairman of Shantung, was known to be a direct follower of Gen. Feng and was still in close terms with the latter. "In dealing with Shansi," the Nippon commented, "the presence of Gen. Feng was not needed. But to draw Shantung into Nanking's fold, the intervention of Gen. Feng will be necessary. "Nanking is now seeking to grasp Shantung and has launched operations in this direction. The Chinese Central authorities are well aware that Hopei and Chahar cannot be easily brought into line and are first seeking to take hold of Shansi and Shantung before tackling Hopei.

Negotiations for an amicable settlement of the incident arising from the wounding of a Japanese by a Chinese soldier at Fengtai on Aug. 21 are being carried on between Major Takeo Imai, assistant Japanese military attache, and representatives of the Hopei and Chahar Council, according to *Domei*. Investigations conducted on the spot by Japanese authorities Aug. 22 established that the Japanese, one Taro Morikawa, had been stabbed by a sentry of a 29th Army detachment stationed at Fengtai, Japanese gendarmerie headquarters announced. While details were not divulged, it is believed that Morikawa was stabbed by the soldier as he attempted to cross a sentry line. Language difficulties were blamed for the happening. Morikawa is now being treated at a Japanese military hospital.

A misunderstanding between Chinese and Japanese troops at Fengtai was responsible for a minor incident involving two Koreans which happened on the night of Aug. 21. The case is now closed, according to *Central News* . On Friday evening Aug. 21, two Koreans were seen loitering around the Chinese barrack at Fengtai. The sentry on duty waved them away but the Koreans refused to go. A quarrel ensued and one of the Koreans was detained while the other fled to the Japanese barrack. Later several Japanese soldiers called at the Chinese barack demanding the release of the detained Korean. The request was refused and the Japanese troops carried away a Chinese soldier with them. A joint investigation was afterwards held which established that the incident arose purely out of misunderstanding. Both the Korean and the Chinese soldiers were freed and the matter was amicably settled.

SUIYUAN CHAIRMAN RUSHES TROOPS TO EAST BORDER DISTRICTS

To strengthen border defense in anticipation of an impending invasion by irregular troops under Li Shou-hsin, Gen. Fu Tso-yi, Governor of Suiyuan, has rushed two full divisions of troops to the East Suiyuan districts, according to Gen. Liu Ju-ming, Chairman of Chahar, who arrived at Peiping Aug. 22 from Kalgan to confer with Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, on the Chahar-Suiyuan situation. Li Shou-hsin's irregulat troops which recently made two unsuccessful attacks on East Suiyuan, according to Gen. Liu, are not expected to create fresh trouble for the time being.

Defense of East Suiyuan districts is believed to be adequate against any emergency, its present force of infantry, cavalry and artillery units at Pingtichuan numbering over 10,000 strong, reports from military quarters in Suiyuan reveal. Meanwhile it has been confirmed that Li Shou-hsin, Mongolian commander of "Manchukuo", has gone to Pailingmiao to confer with Prince Teh, chairman of the Chahar Mongolian Local Autonomy Political Council.

Quiet still prevails on the East Suiyuan border, but the Suiyuan troops guarding the border against further attacks are busily digging trenches and other defences round the city of Pingtichuan and on the hills which overlook it, according to a *Reuters* dispatch Aug. 21. It is learned reliably that after the Chahar troops had withdrawn, after fighting early this month, the Suiyuan troops found the Chahar casualties to be 300 killed and wounded, evidence of serious conflict. Pingtichuan is now completely quiet. It is believed that there are now 60,000 troops in East Suiyuan, this number being comprised of equal numbers of troops belonging to General Fu Tso-yi, General Wang Ching-kuo and Shansi forces belonging to General Yen Hsi-shan. Visits of foreign and other traders to Pailingmiao are discouraged by the Japanese officials there. No attempt to move south by General Li's troops in Pailingmiao is yet reported and Suiyuan troops are still stationed at Chaoho, about 45 miles north of Kueihua and roughly half way between Kueihua and Pailingmiao.

General Shih Hua-yen, resident director of the office of the commissioner for the guidance of Mongol autonomy in Suiyuan, arrived at Peiping from Kweihua Aug. 22 and called on General Sung Cheh-yuan in the afternoon. General Shih made a report on the situation in East Suiyuan and discussed, on behalf of General Yen Hsi-shan and General Fu Tso-yi, measures for the joint defense of Chahar and Suiyuan. According to a Chinese dispatch from Kalgan to the Tientsin *Ta Kung Pao*, Prince Teh is at present at Chapser. He has about 10,000 Mongol troops, all cavalry, stationed at Chapser, Pangkiang and Pailiangmiao. They are described as fairly well equipped with arms, but they are mostly irregulars and on bad terms with the local population. Moreover, they have had no experience of warfare their real fighting strength being only equal to that of about 300 or 500 Chinese troops. The dispatch goes on to say that Prince Teh is now busily engaged in recruiting another 10,000 men for his army and that several thousand have already enlisted. All these men are Mongols, as the Prince declares that he accepts none except Mongols into his army. The Mongols are said to be joining Prince Teh's army with some reluctance. Another Chinese report says that the notorious bandit chieftain Wang Ying has arrived in Changpei from Jehol and is busy buying horses for his bandit army. It is feared that the bandits will make another attack on East Suiyuan shortly.

Territory of East Suiyuan will be defended at all costs, declared Chieftain Ta-Mi-Ling-Su-Lung, commander of Bandit-Suppression forces for the four Banners in East Suiyuan, when interviewed on the Chahar-Suiyuan border situation, reported *Central News* Aug. 22. The Mongolian chieftain arrived at Kweihua Aug. 21 from Pingtichuan to interview Gen. Fu Tso-yi, Chairman of Suiyuan, on the East Suiyuan situation as well as to attend the Second Meeting of the Suiyuan Mongolian Local Autonomy Political Council.

RESIGNATION OF GEN. CHIANG AS EXECUTIVE YUAN HEAD RUMORED

According to a report in the *Shanghai Evening Post* Aug. 20, General Chiang Kai-shek will relinquish his duties as president of the Executive Yuan in order to devote himself to the Military Affairs Commission, National Defense Council and the National Opium Suppression Commission of which he is chairman. No official confirmation of these reports was available at present. According to reports Current in Shanghai political and financial circles, Dr. H. H. Kung, vice-president of the Legislative Yuan and minister of Finance, will become president of the Yuan, which is equivalent to the premiership of the Central Government. K. P. Chen high adviser to the Ministry of Finance and managing director of the Shanghai Commercial and Savings Bank, will be appointed minister of finance, while Dr. Wang Chung-hui, member of the C. E. C. and former judge of the Permanent Court of International Justice, will become vice-president of the Executive Yuan. The rumored government changes, however, will not take place for several weeks and, in all probabilities, not before the settlement of the Kwangsi impasse, militarily or politically. It is also reported that General Chiang will retain his posts as vice-chairman of the Central Political Council and the standing committee of the Central Executive Committee of the Kuomintang.

SUN SAYS PEOPLE'S CONGRESS TO BE CONVENED ACCORDING TO SCHEDULE

The National People's Congress will be convened on November 12 as scheduled, as elections of delegates to the congress are now proceeding apace, declared Sun Fo, President of the Legislative Yuan, in an interview with the *Central News Agency* after his arrival at Shanghai from Nanking Aug. 25. In connection with the forthcoming National People's Congress, the oathtaking ceremony for Central Government officials now at Kuling was held Aug. 19. Dr. H. H. Kung, Vice-President of the Executive Yuan, presided over the ceremony with President Lin Sen administering the oath. More than 100 officials participated, including General Feng Yu-hsiang, Vice-President of the Military Affairs Commission, General Li Lieh-chun, member of the National Government Committee, Dr. Wang Shih-chieh, Minister of Education, Dr. J. Heng Liu, Director of the National Health Administration, and Lieut.-General Tsao Hao-sen, Administrative Vice-Minister of War.

The Shanghai Newspapermen's Association shall have the right to participate in the forthcoming election of delegates to the People's Congress which will be convened on November 12, according to an order issued to the Association by the Shanghai National Assembly Election Office Aug. 20. The order explained that the Shanghai press organization, though not duly registered with the proper government organ, had been recognized by the local Party authorities as a de facto organ, as it has been in existence for four years and shall be permitted to participate in the forthcoming Congress election in accordance with the instructions from the National Congress Election Head Office in Nanking.

HAN FU-CHU OFFICIATES AT CONFUCIUS BIRTHDAY CELEBRATIONS

The principal sacrificial ceremony on the occasion of Confucius' birthday anniversary on Aug. 27 took take place at Chu-fu, the great sage's birth place in Shantung. Gen. Han Fu-chu, Chairman of Shantung, officiated at the ritual on behalf of the National Government. In Nanking, a memorial service was held at the Central Kuomintang Headquarters on the same day.

15,000 PRISONERS RELEASED FROM CROWDED PRISONS

Altogether about 15,000 prisoners in twenty-two different provinces have been paroled during the last thirteen months, according to figures released by the Ministry of Justice Aug. 25. This wholesale release of criminals was necessitated by the fact that most of the prisons were so crowded as to make the general management and maintenance of public health among the criminals extremely difficult. Of the twenty two provinces, Kiangsu topped the list with 4,318 prisoners released. Chekiang follows closely with 2,682 and Hopei is third with 1,518.

General Chen Chi-tang's Huge Fortune

BY T. S. YOUNG

THE love of money is indeed the root of all evils. Human beings, if I may so say, are avaricious by nature, and they can hardly be satisfied with what they possess in the form of money or anything which can be converted into money. Those who have none are eager to possess some, and those who have some are determined to get more. From the big officials down to the small peddlers, all have their hearts and eyes set upon the money, and are on the alert to discover some expedient to attain a fortune. When their good senses are overcome by their lust for fortune, they are invariably disposed to forget their good names, their moral teachings and their conscience, and permit themselves to be totally ruled by this ever-growing passion, which would drive them to all sorts of crimes: The high officials would readily abuse their vested power to enrich their personal coffers by robbing the public; while the lowly placed persons would resort to robbery, kidnapping or even murder to extort money from their fellow human beings.

What gives us a cause of great bewilderment is the fact that the persons who have been driven by destitution and hunger to commit robbery, kidnapping or murder have been oftentimes brought to justice and have had severe punishment meted out to them, while the officials who have been prompted by their greediness to commit wholesale robbery of the public have been generally able to manage their escape from the arms of the law and enjoy their ill-gotten wealth under the aegis of foreign protection, in spite of the fact that their crimes are even more horrible and therefore more punishable than what the ordinary robbers, kidnappers or murderers can be guilty of.

Corrupt Officials Are Not Punished

In the days of the New Life Movement when the people in the streets have been repeatedly reminded to lead a moral life, official morality, however, is still on the wane and no conscientious efforts have yet been exerted for its uplifting. Notwithstading the oft-repeated cries of "Down the corrupt officials," we have not yet had the pleasure of meeting one single instance wherein a big corrupt official has been actually brought to justice, although it is known that corrupt officials can be found here and there in large numbers in our midst. While the gamblers and opium-smokers have been chained together and herded into prisons, many provincial officials who have amassed their fortune by imposing illegal taxes on gambling houses and opium dens can continue their mal-practices, as long as they are not tired of this game of money-amassing. While the armed robbers and kidnappers have been apprehended with promptitude and dealt with by severe punishment, many unscrupulous warlords, who by means of the bayonets of their mercenary soldiers have extorted money from the people and bled them white, have been watched with indifference and tolerance by the Central Government. These are the curious spectacles which we have witnessed year in and year out for the past two decades.

What I have in mind is the recent disclosure regarding the huge fortunes possessed by Gen. Chen Chi-tang and his family. Gen. Chen, the ousted warlord of Kwangtung province, when he saw his political star descending, had the forethought of shipping his plunder in eighty strong trunks to Hongkong for depositing with foreign banks. As if his plunder was not yet big enough to satisfy him, he had the audacity of carrying with him a part of the silver reserves of Kwangtung at the time of making his ignominious exit. What are the contents of these eighty trunks, no one knows; but it has been reported that they are worth as much as $80,000,000. Resides these movable properties, the erstwhile "Strong Man" of Kwangtung has been reputed to possess real estates in Hongkong and Canton to the aggregate value of $50,000,000. From these figures, we are safe to say that Gen. Chen's personal fortune can not be less than $130,000,000.

Mrs. Chen Also Amasses Large Fortune

Mrs. Chen Chi-tang did not lag behind her husband in playing this game of money-amassing, and, according to the circular telegram issued by the 14th Kwangtung Division denouncing Gen. Chen, she has accumulated as much as $50,000,000. Besides, Chen Wei-chou, a brother of Gen. Chen and the former Salt Commissioner of Kwangtung and Kwangsi, has also amassed a fortune to the tune of $50,000,000. Mr. Chen has also been said to have got hold of a large quantity of Tungsten ores, which he has seized from the provincial monopoly and stored in a foreign godown in Hongkong under his own name. By adding these known figures together, this trio must have robbed the Kwangtung people of something more than $200,000,000. No wonder the provincial finance of that rich province was in a bankrupt state and the people had their backs at the breaking point at the time of the downfall of Gen. Chen's regime.

Gen. Chen's overlordship in Kwangtung was not continued more than seven years, but that he and his family members could accumulate such huge fortunes within so short a time sounds somewhat unbelievable. However, those who have kept a watchful eye over his administration are not at all surprised at this revealation. For seven years he had ruled Kwangtung as his own private property, exploited the people by imposing upon them no less than fifty different forms of taxes and surtaxes, and detained all the revenue for his own use. Besides, he has drawn a monthly subsidy from Nanking for his verbal allegiance to the Central Government. During his regime, opium-smoking and gambling have been legalized, and many of the profitable lines of business have been controlled by him under the good name of provincial monopolies. Free from outside intervention, he has been able to formulate his own policy of provincial finance and pocket all the proceeds without the need of giving a proper accounting either to the Central Government or to the public.

In proportion as his political fortune had become bigger, Gen. Chen's thirst for money seemed to become even more acute. In the later years he had become so superstitious that he kept a host of fortune-tellers around him to serve as his "advisors". Whenever he has had any plan to formulate or any decision to make, he would invariably approach these "advisors" for tips, and their directions would be followed as oracles. It has even been whispered that this "Strong Man" of Kwangtung has cast his covetous eye upon a royal throne, and he would never be satisfied until the wealth of the whole country could be at his disposal. Even to this day, it is said that he has not yet awakened from his royal dreams, and has still believed in the truth of what his many fortune-tellers have confided to him.

Has General Chen a Guilty Conscience?

We have no way to find out what is the pleasure of Gen. Chen in possessing such a huge fortune. Has he ever been smitten with any guilty conscience as he recalls that the dollars and cents of which he robbed the public represent nothing but the blood and sweat of the Cantonese people, who have now been stripped to the naked body by his greediness? If he is really superstitious, can he enjoy the rest of his life in perfect peace without having his mind constantly harassed by the fear that when the Day of Judgment comes, he, like any other guilty persons, will be brought before the King of the nether region and given the due punishment which he deserves? Has he ever noticed that quite a few of the greedy warlords of the past regime, as if to meet their just retribution, have come to their violent death at the hands of assassins? If the law of retribution actually works in this world, how can he manage to escape from a fate which must fall upon his head sooner or later?

With such a notorious record left behind him, Gen. Chen will neither have the face nor the courage to return to his native land where the people will only be too glad to lay their hands on him and make him disgorge his plunder. However, it is none the less pathetic to see that a powerful military leader who a few months ago could bend the will of the people and challenge the authority of the Central Government has now taken refuge in a foreign colony and lives under the aegis of foreign protection. This sudden transformation from an overlord to a fugitive may not totally shatter his wide political dreams, but will at least teach him that a warlord, no matter how big a personal army he has under his command, can not continue to exploit and oppress the people without meeting just retribution. If Gen. Chen is highly superstitious, as he is said to be, he should profit from this lesson, and lose no time to become a penitent even at this belated hour so as to redeem himself from his past sins.

The Central Government, it must be said, has shown too much tolerance towards such an arch-enemy of the public as Gen. Chen. We can not help wondering how a clean and honest government can be established in China, should such a notoriously corrupt official be permitted to take away with him his plunder and get away from the clutches of the law. We have never heard of one single instance in which a big official could amass a fortune of over $100,000,000 either during the Manchu regime or in the days of warlordism. Therefore it is most disheartening that during the Kuomintang rule, a provincial official should be found to be more corrupt than the Manchu mandarians or the old-type warlords. The time for cleaning the Augean Stables is long over-due, and therefore the National Government, for the sake of its good name, should take immediate action to bring this notorious official to justice.

Passport for Gen. Chen Chi-tang Sent to Hongkong

The Nanking Foreign Office Aug. 21 dispatched to Hongkong a passport for General Chen Chi-tang, the "deposed" Kwangtung warlord, who has been staying in the Colony since his flight from Canton.

General Chen, it is understood, will proceed abroad in the near future.

Will Japan Succeed in Creating an "Ideal Area" in North China?

BY C. Y. W. MENG 孟 昭 洙

IN his summary reply to the clamoring of political parties and members of the House of Peers, Mr. Arita, Japanese Minister of Foreign Affairs, said *inter alia* that "Sino-Soviet rapprochement must be strictly guarded against, while Japan's aim in creating an 'Ideal Area' in North China to serve as a buffer zone was being conscientiously pursued. The Japanese officials and militarists are rather skilful in "inventing" many new names, such as the "Ideal Area," to enchant their actions, and to suit their purpose well. When General Doihara was in power in North China, he intended to do the same, but under another name—the so-called "5-Northern Province Autonomy," but without success. But, apparently, the failure did not discourage the Japanese militarists and officials, so they plan to do the same again, believing probably that "failure is the mother of success!"

The Japanese Conception of the "Ideal Area"

According to a report from Peiping dated August 8, the Japanese side had presented demands to General Sung Chi-yuan, chairman of the H.C.P.C. (Hopei-Chahar Political Council) demanding that Peiping and Tientsin should be designated as the "Sino-Japanese Friendship District." When this was realized, the report opined, the autonomy of these two provinces would be materialized. At present, the point of argument is whether such autonomous government should be under the control of the Central government, or be separated from the Central government. According to the same report, the purpose of General Matsumuro's recent air trip to Shantung is to see General Han Fu-chu, the Shantung Provincipal chairman, and to demand that autonomy should also be enforced in the Municipality of Tsingtao. But General Han was reported to have refused, so the discussion is now going on between the Japanese general and the mayor of Tsingtao.

According to another report from Tsingtao dated August 7, it was stated that General Matsumuro had presented "three demands" to General Han, which are as follows :—

1.—Hopei, Chahar and Shantung should jointly establish an autonomous government which should be combined with the "Eastern Hopei Autonomous Government" under Yin Yu-ken (under arrest by the Mandate from the National Government.) The Japanese promise to "give all necessary assistance."

2.—The organization of the "Hopei-Chahar-Shantung Autonomous Government" should be modelled after the organization of the Eastern Hopei Autonomous Government, to which General Sung and General Han should be the chairman and vice chairman, respectively.

3.—The currency in North China should be controlled, and the natural resources in North China should be exploited.

So, the so-called "ideal area," "autonomous government," etc., in North China are only other names for "independent area" or "independent government" in North China, which is "economically and politically independent from Nanking" (quoted from what General Tada had said), and which has its own customs administration, central bank, independent from the Customs Administration and the Central Bank, under the Ministry of Finance in Nanking, in total and gross violation of the 9-Fower Treaty for the maintenance of the "territorial and administrative integrity of China." We understand that the Japanese have already demanded opening of a Central Bank in North China.

"Ideal-Area"—The Plot Discovered

According to another despatch from Tientsin, on August 8, the Bureau of Public Safety in Tientsin was reported to have discovered a "big plot" which, if permitted to be carried out, would be of serious consequence to the North China situation. It was further reported that more that ten Chinese—the accomplices—were arrested. On investigation, it was found that all these unscrupulous people were the leaders of "Second Riot in Tientsin" previously. On further cross-examination, it was further found that these Chinese at first had some acquaintance with one Japanese rogue who introduced them to Kawashima Gosiko (川島芳子). According to their affidavit, it was Gosiko who supplied them with funds to recruit "plain-clothes soldiers." Their activities are not to occupy Tientsin by force, but rather to create terror and tension by mining or throwing of explosives, so that more incidents would be created, Sino-Japanese relations would be made to go from bad to worse, and the Japanese militarists could take the chance as a pretext to make some changes in North China by further diplomatic negotiations to realize what they called "North China Autonomy."

We remember, in the evening of May 29, the railway bridge near Tientsin was blown up by some unknown rascal, killing three Japanese horses in the trains which carried the newly-arrived Japanese troops to Tientsin and Peiping—an incident which once assumed very grave aspects. On June 6, another lot of explosives was discovered on the road side. On August 5, still another lot of explosives was discovered. At first, it was believed these were the activities of communists. But it is now discovered, stated the report, that they were not the activities of communists but of unscrupulous persons who have since been arrested.

According to the same despatch, recently, the unscrupulous persons decided to extend their activities to forcibly seize Tientsin and to hoist the "autonomous flag." The secret office is established in a factory situated in the Japanese Concession in Tientsin. The name on the outside of the office is 'National Salvation and Autonomy Society." A short time ago, Gosiko came to Tientsin again from Changchun (now "capital of Manchukuo) with a huge sum of money for the purpose of financing the recruiting of followers. One the outskirts of Tientsin city, there are already 600 or 700 followers. Badges bearing a 5-corner star with red color on the background were discovered. According to the report, these rascals intended to start the trouble sometime before or immediately following the Chinese Mid-Autumn Festival (September 30). More Chinese were sent to other near-by hsiens to recruit more followers, so that when the trouble started in Tientsin, the followers in near-by places could respond and collaborate. But since the arrest of these Chinese, all the followers, so far recruited, "have withdrawn to the Demilitarized Zone" under the Hopei Eastern Autonomous Government for protection. But the same despatch points out that there are still quite many followers living in the Japanese concession. The timely discovery of the plot as well as the arrest of some of the leaders is undoubtedly the "first blow" to the making of the "Ideal Area" in North China!

"The Local Issues"

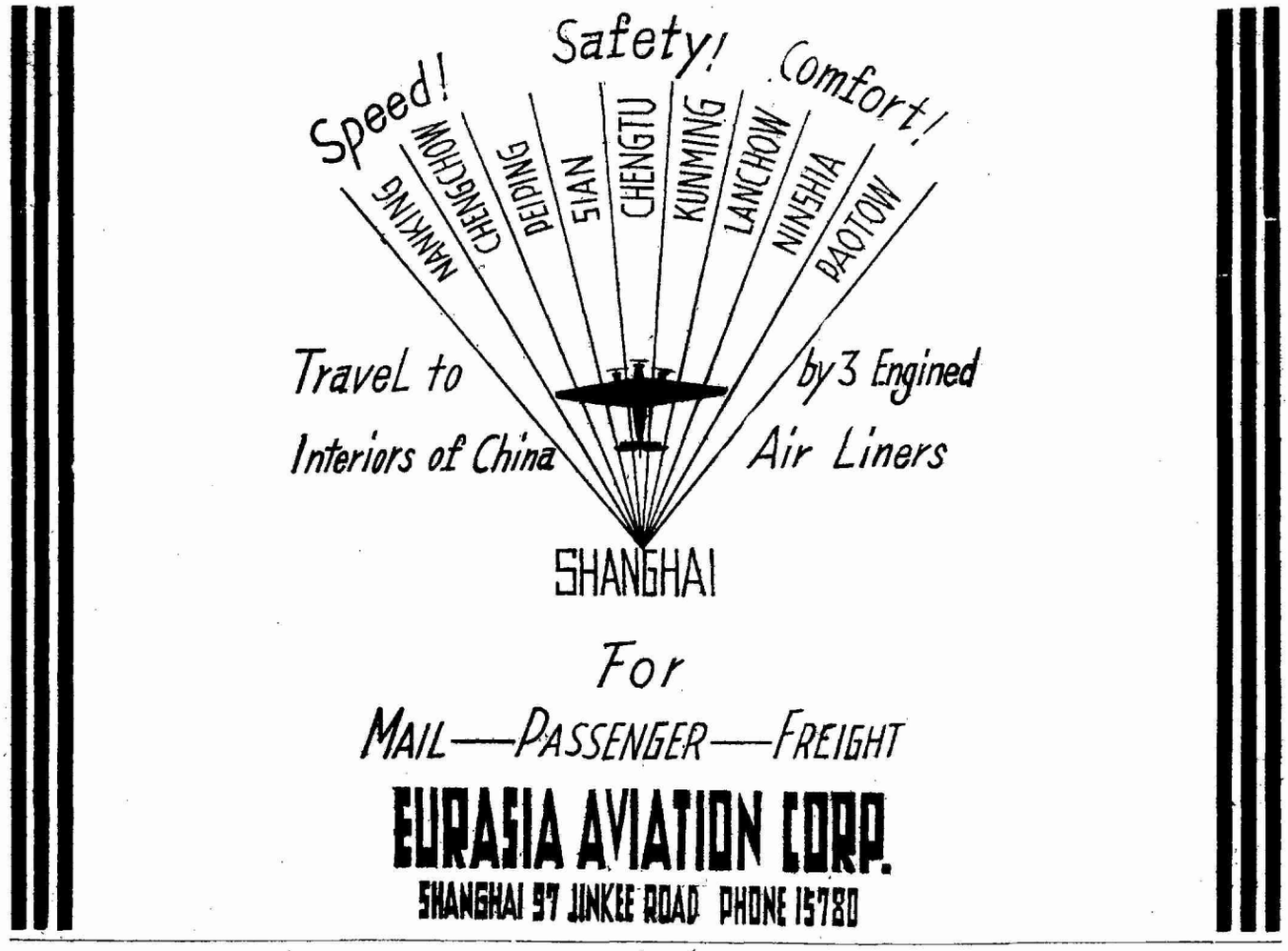
To treat every Sino-Japanese issue as a local affair though they are of national character—is one of the Japanese tactics in dealing with the Chinese. Mr. Kawagoe, the Japanese Ambassador to China, is one of the strong advocates of these tactics. The Japanese idea is that in negotiations with the Japanese, it is not necessary for the local Chinese authorities to obtain any instructions from the Central Government, and that the local issues should not be under the contral of the Central Government. Mr. Kawagoe advocated this when he was only a consul-general in Tientsin, and certainly he advocates this more when he is the ambassador, when he has to open more negotiations with the Chinese.

But to his dismay, on the eve of his arrival at Peiping, General Sung sounded in advance that "all diplomatic negotiations should be taken up by the Central Government only." In reply to the Japanese demands, General Han of Shantung was also quoted to have said that "being only a local official, he could not do anything, with regard to the Japanese demands," and requested the Japaneae General Matsumuro to get into touch with the Central Government. So when General Matsumuro reached Tsingtao, in making a report before the Japanese nationals, he was reported to have said that "General Han is not sincere towards Japan"; and that the authorities of Japanese garrison forces in Northe China must pay more attention to General Han's attitude; and that the Japanese nationals should cooperate with Japanese forces to take united action. Thus, the refusal of Chinese local officials to agree with the Japanese to treat the issue as "local" is another blow to the making of the ideal area in North China!

The "Invasion" of Eastern Suiyuan

When all these Japanese "underhand," "peaceful steps" for the making of the ideal area in North China are exhausted, naturally military actions will follow. So the invasion of Eastern Suiyuan begins. At first, the Japanese confined their secessionist activities to induce Prince Teh to break off his allegiance with Nanking. They succeeded.

The Mongolian army was organized and trained by the Japanese officials. The latter further supply the army with "fighting planes," "tanks," etc. No less than 5 million dollars were handed over to Prince Teh in the name of "famine relief funds!" The plan for establishing a "new organization" in Mongolia, known as "Tai Yuan" or "Greater Yuan Dynasty" is under feverish preparation. But now, the quarrels and actual fighting between Ita Lama and Prince Shih—the uncle and nephew—offer another chance for the Japanese to carry out the invasion of Eastern Suiyuan. The Japanese sided with Prince Shih. According to the report "four Japanese military officials" mixed in Prince Shih's army to direct the operations.



At the same time, another bandit army commanded by Chang Hai-pen—about 2,000 strong—had also crossed the Chahar border to continue to march toward the west (Suiyuan) to join with another bandit army commanded by Wang Ing to "jointly attack Suiyuan." All munitions were supplied by the Japanese (*Shun Pao*, August 18). Another Manchukuo-bandit troop under Li Shou-hsin had already reached Shun Tu and Pao Kung, important places within the Suiyuan border.

Usually, "trade follows gunboats." But in the Japanese tactics, "trade follows the army." So when Japan is in occupation of North Chahar, a "Greater Mongolian Company" was formed to monopolize and manipulate the trade in Chahar. But now it is reported that the activities of this company are to be pushed into Suiyuan. Near Kalgan, visitors told us that many trucks carrying cargoes flying Japanese flags could be seen on the way. So the *Izvestia*, official Soviet organ, in commenting in the Eastern Suiyuan situation, is right when it concludes that the Japanese objectives are (1) to envelop Outer Mongolia; (2) to use Suiyuan as a base of operations in the North-west, which may be turned into military camp and a raw material supply regions; (3) to threaten the safety of Shansi, and (4) to strengthen her coercion of the Nanking government.

Chinese Nation-Wide Indignation

On the other hand, it must be pointed that the Chinese indignation over the Suiyuan situation is equally strong. To sum up the demands which the Chinese masses have submitted to the National Government, they are as follows:—

1. The Central Government should send large reinforcements to help defend eastern Suiyuan.
2. Those defending Suiyuan at present should be rewarded.
3. An order should be issued punishing General Li Shou-hsin. At the same time the campaign against Generals Li and Bei (in Kwangsi) must be abandoned in order to concentrate the entire force of the nation on resisting foreign aggression.
4. The Chinese masses must be organized to support and help the soldiers who will be fighting against Japanese aggression.
5. The policy announced at the recent session of the Kuomintang in Nanking must be carried out.

What Next?

At present, the making of the "ideal area" in North China is apparently in the formulating stage. But what next? Will the Japanese succeed in actually creating the ideal area? It all depends in three factors:—

1. Will the Japanese be able to remove General Sung and General Han from their offices? As stated before, by refusing to agree to treat everything as "local issues," these Chinese generals have become *persona non grata* to Japan. (The resignation of both of them was once rumored. The resignation of the former mayor of Tientsin was largely due to Japanese "kicking" back).

2. Will the Chinese Suiyuan authorities be determined to put up resistance to any invasion? It is to be pointed out that the present invasion is only a "trial" on the part of the Japanese invaders to test the Chinese strength, and to find out whether China will resist or will adopt the same blundering policy of going on with the negotiations with the invaders who have invaded our territory? As reported, it is the policy of the Japanese invaders to invade Suiyuan first by bandits; second by Japanese trained and directed troops; and lastly, by a Japanese army. But will the Chinese at the outset put up stiff resistance, and demonstrate their determination to defend their territory but to have no negotiations with the invaders? This question will have much to do with the future Suiyuan situation.

3. Will Nanking-Kwangsi "bickerings" result in a civil war? So long as the Central Government had to pay more attention to the Kwangsi situation; so long as 300,000 Central troops are concentrated on the Kwangsi-Hunan border, and another group of troops is tied up in the anti-communist compaign in the North-West; and so long as Nanking does not abandon its campaign against Kwangsi, as demanded, the Japanese will have fair chances of success in creating the "ideal area," or "autonomous government," etc., in North China. Nanking must look out!

Nanking, August 21, 1936.

Japan's Inroads in F.M.S. Trade Discussed by Legislative Council

As the result of Japan's recent inroads in trade in the Federated Malay States, the Legislative Council at Singapore Aug. 24 made a request for the establishment of a committee to enquire into the whole question and consider what action is necessary to preserve the British character of the Colony's trade, and furnish a full report within one month. The Straits Government was also asked to look into the question of whether it had authority to negotiate reciprocal trade agreements direct with other Governments, such as the Nethlerands East Indies.

Japanese Lose Heavily in Bandit Encounter on Sungari

A *Domei* message from Harbin Aug. 19 stated that the first major losses by Japanese and Manchukuo river patrols on the Sungari, were sustained the previous Saturday when 23 officers and men were killed in an encounter with bandits at Mulan 120 kilometers east of Harbin. Among the killed were one Japanese naval lieutenant commander; two lieutenants; four non-commissioned officers and eight Japanese members of a Manchukuo gunboat crew. Manchu losses included eight dead.

Communists Take Heavy Toll in Attack on Manchurian Town

Twenty-six Japanese residents, three soldiers, two policemen and one member of a volunteer vigilance committee were killed together with an unascertained number of Manchus in an attack by more than 1,000 Communist bandits on the town of Musung, Antung province, Manchukuo on Aug. 16, a belated message reaching Seoul stated. The death toll among the Manchu residents was described as "large." Japanese military aircraft were called out to bombard the bandits who burned two-thirds of the town before decamping, taking a large quantity of loot. The same band of marauders later attacked Sungshu, a neighboring village, killing two Manchukuo soldiers and wounding two others, according to the report.

Japanese Army Sends Out Pamphlet for Fifth Anniversary of Manchurian "Incident"

September 18 being the 5th anniversary of the outbreak of the Manchurian Incident, the Japanese Army is preparing to hold memorial enterprises on a large scale. As the first of these enterprises, a pamphlet entitled: "Five Years After the Manchurian Incident" is being published. At the end of this month some 340,000 to 350,000 copies will be distributed to all parts of the country. In the pamphlet the present state of Manchukuo in all fields of activity is explained, emphasis being laid on the "inseparable relations existing between Japan and Manchukuo."

The main points in the pamphlet are thus summarized by the *Tokyo Asahi*:—In the relations between Manchukuo and Japan, the conviction that the two nations are bound together by a common virtue and a common body as stated in the message of the Emperor of Manchukuo must be strengthened and with this solid conviction as the basis relations with Manchukuo in all their aspects must be considered.

Characteristies of the Manchukuo Government:—Strong control is the first principle. For this reason the responsibility for assisting the Emperor in administrative duties is made to lie solely with the Prime Minister, while personnel affairs, treasury accounts and myriads of other state matters fall within the general province of the General Affairs Board of the State Council. The "grab" policy with regard to the budget or preponderance of one at the expense of others is being eliminated as far as possible.

Peace, Order and Discipline.—The work of bringing peace and order to Manchukuo is progressing successfully in the main, but there are points on which optimism is still premature. For this reason the peace-and-order-first policy is still being adhered to, for peace, order and discipline are the concrete manifestations of the Kingly Way by which Manchukuo is ruled, as also the prerequistite factors in the development of industry.

Abolition of Extraterritoriality and Regulation and Transfer of Administrative Rights over the S.M.R. Zone.—Japan is adopting the "moral point of view." The idea of racial rivalry is eliminated and equality of rights and obligations and harmony among the five races of East Asia are made the first principles of conduct.

Necessity of Investment in and Emigration to Manchukuo.—That numerous Japanese should reside in Manchukuo is absolutely necessary for assuring harmony among the five Asiatic races and at the same time it is an urgent demand for solution of Japan's population problem. The possibility of emigration on a large scale has been attested by experience up to the present; Japan should adopt the policy of emigration to Manchukuo first. Parallel with emigration, positive investment in Manchukuo aimed at developing Manchukuo industry is necessary. The security of such investment in Manchukuo has been shown in the section dealing with finances and the currency system.

Foreign Relations of Manchukuo.—Only two countries have so far recognized Manchuku *de jure*, but *de facto* recognition has been accorded it by one country after another. This clearly points to the development and improvement of its international position, and even the border disputes are proof of the development and advance of Manchukuo.

Soviets Allegedly Fire Across Manchukuo Border

An official report from Tungning, Kirin Province, received at Hsinking last week, alleged that Soviet border guards had fired across the border at a Japanese outpost. According to the dispatch, Soviet guards quartered on a hill near the border fired about 40 rifle shots at a Japanese post south of Kaolin in eastern Kirin at about 6.30 a.m. Aug. 17. The Japanese force suffered no casualties.

Nine Russians Executed by Firing Squad at Hailar

Nine Russians, including one former Cossack officer, were executed by a Manchukuo firing squad at Hailar on Aug. 20 following their conviction on charges of conspiracy to disturb peace and order by terrorstic means, the Kwantung Army headquarters in Hsinking revealed Aug. 24. Twenty-eight others were sentenced to prison terms ranging from two years to life, the announcement added. According to the communique, the convicted men were members of a "Soviet Shock Brigade," plotting against Manchukuo. They are also alleged to have planned an armed uprising in the Sanho district near Hailar("in the event of hostilities between Japan and the Soviet Union.") The leaders of the conspiracy, the communique went on, entered the Sanho area in 1925 with instructions to spread Communistic ideas among the "White" Russian and Chinese populations.

In 1934, some of these propangandists were arrested and severely punished. In May and June of the same year, the convicted plotters are alleged to have gathered at the home of a former Cossack officer and formed a band of 20 "shock troopers."

Pledged to absolute secrecy on the pain of death, the members of this original band are said to have held secret meetings where new adherents were admitted to the "order." The organization at one time claimed to have 300 members, the announcement stated. Besides those executed, five leaders were sentenced to life imprisonment, three to 20 years, five to 15 years, two to 13 years, and one to 10 years, in addition to two sentenced to two years, but with a stay of execution.

Manchukuo Trade Shows Favorable Balance for Half Year

Hsinking advices state that Manchukuo's trade in the first half of this year totalled Yen 682,593,000, of which exports accounted for Yen 344,901,000 and imports for Yen 338,502,000. The favorable balance for the six-month period reached Yen 5,589,000, as compared with an adverse balance of Yen 72,950,000 in the first half of 1935.

The Department of Finance of Manchukuo reported Aug. 13 that the past month shows an unfavorable trade balance of nearly 19,000,000 yen. Exports were slightly less than those of July, 1935, while imports increased by over 3,600,000 yen. The import excess for the first seven months of this year, is about 190 millions. Dairen, of course, carries practically all of the trade, with Newchwang ranking second in exports and Antung second in imports.

Manchuria Invokes Trade Control Law Against Australia

An Imperial Ordinance was issued in Hsinking Aug. 15 promulgating the Trade Urgent Control Law and import restrictions based thereon. The Law is designed to unite the efforts of Japan and Manchuria. The object of the Law is to invoke Japan-Manchukuo joint action against Australia, to protect the major industries.

Minami Proceeds to Seoul to Take Up Post of Governor

Gen. Jiro Minami, newly appointed Governor General of Korea, proceeded to Seoul this week to take up his post.

Japanese Hope to Plant 5,000,000 Colonists in Manchuria

The outline of a huge emigration project, under which 5,000,000 Japanese would be settled in Manchukuo in the next twenty years, was made public by the Ministry of Overseas Affairs in Tokyo Aug. 21. The plan has the support of the War Office, which asserts that ten per cent of Manchukuo's population should be Japanese for the efficient maintenance of peace and order along supply routes in an emergency. The scheme, however, is designed principally to alleviate the population surplus problem.

To facilitate the carrying out of the program, the capital of the Manchurian Colonization Company has been increased to Yen 50,000,000. According to the present program, every five emigrants to Manchuria will be given a rifle to protect themselves. Chinese from China proper, it is stated, will not be allowed to migrate to Manchuria.

Steel Mill Workers from Kobe Proceed to Anshan

Forming the largest group of skilled workers to leave Japan for Manchuria in one unit, 149 mill hands from the Kobe Iron Works proceeded to Anshan this week to take charge of the new steel foundry erected there by the South Manchuria Railway Co. The new plant, named the Manchuria Steel Mills, will begin operations in October.

Free Entry of White Russians into Manchuria Is Now Forbidden

News comes from Tientsin to the effect that the Manchukuo authorities have barred a free entry of White Russians into the "empire" from China and abroad for residence, unles ssuch persons produce no less than $300 in cash. As a result of this rule, many Russians, who were proceeding to Harbin, have returned from Shanhaikwan to Tientsin, the report stated. It is of interest to note in this connection that for entry into Japan the money to be produced is even higher, being Yen 1,500 per every adult person. Yet the Japanese profess extreme love for White Russians.

Dr. Kung Orders T. L. Soong to Uproot Corruption in Kwangtung

That fundamental measures be adopted to eliminate corruption among tax-collectors in Kwangtung, was enjoined by Dr. H. H. Kung, Minister of Finance, in an order to T. L. Soong, Special Commissioner of Finance and concurrently Provincial Commissioner of Finance for Kwangtung, Aug. 23.. The following are extracts from Dr. Kung's telegram :—

"The majority of the tax-collectors in Kwangtung are selfish and corrupt, and only know how to fatten themselves and fill their pockets with ill-gotten money.

"Most of the taxes collected from the people go to 'private pockets.' Certain taxes after deduction of expenses are reported for record, with the result that the Government receives very little. Such tax-collectors are parasites of the State and the curse of the people.

"At the present juncture when a comprehensive readjustment is under way, the system of tax collection in Kwangtung should be fundamentally reformed, and the various corrupt practices eliminated, so as to save the people of Kwangtung from 'water and fire.'

"You are hereby ordered to immediately conduct an investigation into all taxes and levies, both National and Local, collected in Kwangtung. Where the regulations governing the collection of taxes are contrary to law, such defects should be immediately rectified in accordance with law.

"In case corruption continues among the tax-collectors, or resistance offered by the local riff-raff against the reforms, you should immediately petition the President of the Military Affairs Commission (General Chiang Kai-shek) for instructions, so that the corrupt may be severely punished in accordance with military law."

On the recommendation of T. L. Soong, Special Commissioner of Finance and concurrently Provincial Commissioner of Finance for Kwangtung, the Kwangtung Provincial Government, at a recent meeting decided to abolish many kinds of exorbitant levies and miscellaneous taxes in Kwangtung.

Canton Currency to Be Supported with $100,000,000 in Bonds

Definite measures for the stabilization of the Canton currency, including the issuance of Central Government bonds valued at 100,000,000 national dollars, were announced at Canton Aug. 21 by T. L. Soong, the Finance Commissioner. Mr. Soong declared that the Central Government bonds would be issued to make up the presently insufficient reserve of local banknotes. The other measures announced by the Finance Commissioner are :—Canton banknotes will continue in circulation; payment of taxes may still be made with local notes but at a conversion rate not to exceed $1.50 for every national dollar; the Bank of China, Bank of Communications and the Kwangtung Provincial Bank will co-operate to control the market in order to check fluctuations owing to speculation.

A sum of $10,000,000 will be added to the Customs revenue of Kwangtung following the readjustment of the Canton Customs administration by the Central Government, according to Chinese press reports. Beginning from next month, import duties will be imposed on foreign rice, which hitherto has been exempted from the tariff, the report said. This, it was believed, will swell the Customs revenue of Kwangtung considerably.

H. C. P. A. C. Assures Support for Central Goverment's Legal Tender Policy

Replying to an inquiry of the Ministry of Finance—regarding an order designating the Hopei Provincial Bank (a) as the fiscal agent of the Hopei Provincial Government and (b) the organ for the unification of the note issue in the Hopei-Chahar area and (c) the requirement of the various military and civil organs to use only the notes of the Hopei Provincial Bank for all receipts and expenditures,—the Hopei-Chahar Political Affairs Committee assures that full support has been pledged by the northern authorities for the legal tender policy of the Central Government.

Japanese Financial Commissioner Doubts Continued Success of China Currency Reforms

Doubts that China could successfully continue her present currency reform policies was expressed in Osaka Aug. 22 by Yutaro Tomita, Japanese financial commissioner in London, in his first public address since his return from a month's trip to China and to Manchukuo.

"It is true that China has scored an unexpected success in her currency reforms," Mr. Tomita said, addressing influential Osaka financiers. "But this was mainly due to British and American assistance and to the adoption of a forceful deflation policy which curbed the activities of the speculators.

"But as a result of this, business circles are confronted with an acute lack of funds. The Chinese Government, I expect, will naturally seek to alleviate this condition by adopting an inflationary scheme as soon as it feels confident that the new currency system is stable. I believe that this will demand careful adjustment," he commented.

French Municipal Council Debentures All Subscribed

The French Municipal Council of Shanghai Aug. 25 issued invitations for subscriptions for $2,500,000 debentures. They were all subscribed before noon.

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Two Japanese Killed at Chengtu—A Sequel to Consulate Dispute

A *Domei* message from Nanking Aug. 25 stated that two Japanese were killed, another was seriously injured, while a fourth is missing following an attack by a mob of about 2,000 on a Chengtu (Szechuen) inn, where a party of Nipponese were staying on Monday evening.

The three Shanghai travelers left Nanking on a visit to Szechuen on July 31 by the s.s. *Jaoyang Maru* of the Nisshin Kisen Kaisha together with Eiichi Iwai, newly-appointed Japanese acting Consul-General in Chengtu. They arrived at Chengtu on Aug. 17, were joined by Mr. Seto and left on Aug. 21 for Chengtu. Mr. Seto was formerly an employee of the Nisshin Kisen Kaisha.

It is stated that a mass meeting opposing the reopening of the Japanese Consulate-General was held at the Hsiao Cheng Park in Chengtu on Monday afternoon. The crowd dispersed at about 3 o'clock, but later formed again in smaller groups. A mob marched from the park to the Tachuen Hotel where the Japanese were staying and attacked the establishment. A Bureau of Public Safety detachment sent to quell the demonstrators was promptly overpowered, the reports said.

The Szechuen Provincial Government immediately communicated with the Japanese authorities at Chungking to express regrets at the occurrence and informed them that the Japanese who were not seized by the mob were receiving due protection.

The four victims were: Keiji Fukagawa, a reporter of the *Shanghai Mainichi*; Kozaburo Watanabe, staff correspondent of the *Osaka Mainichi*; Takeo Tanaka, of the Shanghai branch of the South Manchuria Railway Co.; and Shoichi Seto, a merchant from Hankow.

The incident seems to have arisen out of the determination of the Japanese Government to force the issue of the establishment of a Japanese Consulate at Chengtu. Details of the dispute were given in *The Review* of Aug. 15. The Japanese Government refused to heed protests of the Chinese Government, which pointed out that Chengtu was not an open port and therefore no country had a right to open a consulate there. The British and French Governments both complied with the Chinese protest not to open a consulate in Chengtu.

Korean Is Killed While Manufacturing Bomb to Blow Up Japanese Theater

Bursting prematurely while it was being manufactured by two Korean terrorists at 13 Tai Hsing Fang, Route Vallon, Shanghai French Concession, Shanghai on Aug. 14, a bomb, the last of a series of three, put an end to an alleged plan to blow up the Japanese Consulate-General and the Kabukiza Theatre, North Szechuen Road, the Japanese Consular Police announced Aug. 24. The mangled body of a Korean, found on the premises by the French police, was later indentified as that of Heikwa Kin, 23. His alleged accomplice, Junkon Kin, 25, was taken to hospital and later on to another institution where he is being watched by the Japanese authorities. The French authorities on Aug. 17 notified the Japanese Consular Police, which, on the following day, took charge of the body of Kim, which was cremated and buried on Aug. 21. According to a confession said to have been made by the injured man, they had successfully manufactured two bombs and were engaged in putting the third together when it exploded with fatal results, the Japanese press reported.

The incident had its repercussion in Nanking Aug. 24 when Yakichiro Suma, Japanese Consul-General, drew the attention of Chen Chieh, vice-minister of Foreign Affairs, to the undesirable effects of the protection allegedly being extended by the Chinese government to a band of Korean revolutionists.

The Japanese official, *Domei* stated, directly linked the recent abortive attempt by Korean terrorists to blow up the Japanese Consulate-General in Shanghai and the Kabukiza Theater, North Szechuen Road, to the 200 members of a Korean independence movement led by Kum Ku, who are living in and about Nanking. Mr. Suma asked for the arrest and the immediate handing over to the Japanese authorities of these men and pointed out that the refusal of the Chinese government to do so would constitute an unfriendly act, it is understood.

Mr. Suma also took issue with Mr. Chen on the refusal of the Chinese authorities to allow Eiichi Iwai to enter Chengtu, Szechuen, on the grounds that the city is not an open treaty port. Mr. Iwai, formerly with the Embassy in Shanghai, was recently appointed acting consul-general and instructed to proceed to the Szechuen capital to reopen the Japanese consulate-general there, closed since 1932 when anti-Japanese agitation reached its peak.

Pointing out that Japanese officials had been stationed in Chengtu for more than 18 years Mr. Suma asked for a reconsideration of the Chinese attitude. The simplest way, he is understood to have pointed out, was to make Chengtu a treaty port.

Nippo Links Kayau, Nakayama Cases to Reported "Red" Base Here

While minimizing the usefulness of Shanghai as a base for Comintern activities, reported to have been revived here lately, The Shanghai *Nippo* Aug. 19 editorially noted the need for caution. "At present, when various countries are nervous about Soviet spy activities, how can the Comintern hope to carry on effective underground activities here?" the paper asked. "But the Soviet Union being skilled in such matters, she may resort to the use of 'White' Russians. Japanese should pay special attention to this point at this time when the Nakayama and Kayau cases are still unsolved."

The daily cited a report that, having been driven out of Manchukuo, Comintern headquarters for the Far East had been set up in Shanghai. This, the *Nippo* said, was typical of Soviet tactics, as it had skillfully utilized a time when the eyes of the world were focused on western Europe and Spain to take this step.

"The Soviets first selected Tientsin a base for agitators. Balked, however, by the formation of an anti-Communist bloc in North China, Russia is now transferring the influential Reds she sent to the northern city, south to Shanghai.

Shanghai, the paper noted, was "second choice" for the Soviets. While on the one hand, the tangled international relations here made it easy for spies and agitators to operate, Shanghai was, on the other hand, subject to close surveillance by various Powers. "Every country is paying close attention to Soviet maneuverings here. That is why the Soviets first chose Tientsin and later moved to Shanghai," the *Nippo* said.

Activities of the Red Army in China

Commenting on the activities of the Red Army in China, the Shanghai *Nippo* (Evening Edition) on Aug. 20 said that taking advantage of the situation when the Nanking Government has turned its attention to the Kwangsi problem, the activities of the Red Army from Szechuan to the North-western Provinces have become much more intensified. The Red Army, who were scattered in separate parts of the country without a definite base, without communication between its various regiments, was unable to fully exert its influence. As they have succeeded in overcoming this difficulty and have now secured a real foothold, they are, indeed, a great menace to the Central Government Army. It should be considered as a problem which is much more serious than that of Kwangsi", the *Nippo* added.

Kansu People Calm Down as Result of Reds Being Defeated

The *Ta Kung Pao* Aug. 20 printed a telegram from Sian stating that the situation in the Kansu capital has been considerably eased following the defeat of the Communists at Mien Hsien.

Reinforcements have now reached Mien Hsien, while adequate measures have been taken by General Yu Hsueh-chung and General Chu Shao-liang, Chairman of Kansu, to resist another possible attack from the Reds.

Six Korean Revolutionaries Arrested by Japanese

Six members of the Korean Revolution Society (Koreans), were arrested by the Japanese in Seoul Aug. 23. The arrested Koreans were charged with having affiliations with the branch headquarters of the Korean Independent Party in Changchun and Kirin. They had secretly entered the capital of Korea two days previously with the intention of forming a similar branch of the Independent Party.

Wang Ching-wei Murder-Attempt Suspects in Hongkong Extradited to Shanghai

Two of the three Chinese suspects who were arrested in Hongkong a few months ago for alleged complicity in the attempted assassination of Wang Ching-wei, former president of the Executive Yuan, on Nov. 1 last were extradited to the Chinese authorities Aug. 22. Under the escort of three detectives, the two suspects were placed aboard the *Empress of Japan* and brought to Shanghai.

Changsha Bombing Affair Settled—Hunan Government to Indemnify Victims

Apologies tendered by the Hunan Provincial Government to the Japanese authorities, together with a promise to indemnify the victims of the bombing of a Japanese hotel at Changsha Aug. 20, have brought the case to a close, the *Shanghai Mainichi* reported Aug. 23. An unidentified Japanese guest at the hotel was injured in the blast, which slightly damaged the building.

Unidentified Gunmen Fire at British Embassy Guards

Gunmen as yet unindentified fired seven shots from a motor-car at three British soldiers at Peiping at midnight Aug. 24, but without hitting them. The incident occurred as the soldiers were returning from a cinema to their barracks in the Legation Quarter. After the shooting, the car drove rapidly away. A Chinese policeman on point duty 50 yd. away tried to stop the car, but without success. The machine, he declared, did not carry a licence number. The three soldiers involved in the incident are all members of the Worcestershire Regiment, which supplies the British Embassy Guard.

When asked whether the temper of young Japanese might be sufficiently aroused to lead them to have been responsible for the incident in which the three British soldiers were fired upon, Major-General Takayoshi Matsumuro, resident officer of the Japanese Army in North China, said:—"We do not consider the Sasaki case settled, but I do not believe the anger and impatience of the young Japanese have reached such a climax as yet." Major-General Matsumuro said he felt certain that Japanese were not involved in the attack.

China Has Huge Wheat and Cotton Crops—Farmers Celebrate

In sharp contrast to the situation in the United States, where droughts have caused the greatest destruction of crops in the history of the United States, China this year has been blessed with huge wheat and cotton crops. The cotton crop in North China is at least twenty percent above the average and the Japanese telegrams have stressed the point that there will be a large supply available for export to Japan at cheap prices.

Owing to favorable weather conditions this year, bumper crops are also reported in the wheat producing districts of Hopei, Shansi, Shensi and Shantung. Taking advantage of the cheap price, the Japanese are making already made heavy purchases of wheat from China.

A petition from the Shanghai Residents Association advances three reasons why the export of wheat from China should be banned. Firstly, as the crops in the Yangtsze Valley are, unlike those in North China, not bountiful, and are only sufficient to meet the requirements of the flour mills in Shanghai and Wusih for seven or eight months, the mills will ultimately be forced to import higher-priced wheat from abroad. This will result in considerable loss and a simultaneous rise in the cost of flour. Secondly, in spite of the claims of those in favor of wheat exportation, the production is still short of the country's requirements. Thirdly, owing to the growing tension in the international situation, the danger of a shortage of food supply in the country in case of emergencies must be considered. In consonance with the policy of national defence, the exportation of wheat should be banned even though there should be a surplus.

However, reports from other sources indicate that China's wheat crop this year is more than sufficient to cover all of the country's requirements and there have been requests in certain districts that the authorities should buy some of the surplus.

Farmers Near Nanking Hold Celebration Because of Bumper Crop

Jubilant over a bumper crop this season, 10,000 farmers in Sachowwei, 30 li east of Nanking, held a celebration Aug. 20. Chen Chieh-ju, Director of the Social Affairs Bureau of the Nanking City Government, attended the festivities in person.

Bumper Cotton Crop Predicted in Hunan

Shattering all the existing records a bumper crop of 29,000,000 piculs of cotton will be raised in Hunan during the current year, according to an estimate of Second Agricultural Experimental Station in Changsha.

Tientsin Cotton Mill Resumes Operations Under Japanese Owners

The No. 7 Kun gta Cotton Mill, which was recently bought over by the Japanese, resumed operations on Aug. 26. All Chinese workers on the former payroll of the Hus Hsin Cotton Mill are being employed by the new owners for another six months in accordance with the agreement for the sale of the concern.

Cotton Trade Prospects in North China to Be Probed by Japanese Investigators

Twelve members of the powerful Amalgamated Federation of Cotton Industries in Osaka will leave Japan in mid-September for North China to study the prospects of the textile business in that area. The investigators, who will comprise two groups, will pay special attention to cotton growing, the spinning of cotton and the effects of smuggling.

Huge Decline in Export of Chinese Silk Shown Over Period of Years

With the increase in the export of Japanese raw silk to the United States of America, China had in recent years from the years 1926 to 1931 faced the danger of losing her market in America.

Statistics published by *Sin Wen Pao* Aug. 18 showed that China's export of raw silk had dropped from 10,249,000 lbs. in 1926 to 1,102,000 in 1934. During said years Japan's yearly export to the United States ranged from approximately fifty to sixty million pounds. China's export to the U. S. in 1935 was 3,484,000 lbs.

Other figures follow:

Year	*Chinese Export*	*Japanese Export*
1926	10,249	53,793
1927	10,787	61,797
1928	10,527	64,112
1929	14,906	69,759
1930	9,880	59,918
1931	9,846	69,526
1932	2,530	69,137
1933	3,768	60,213
1934	1,102	54,989
1935	3,484	—

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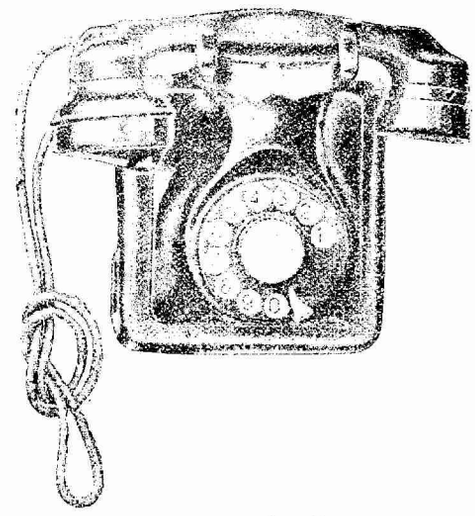

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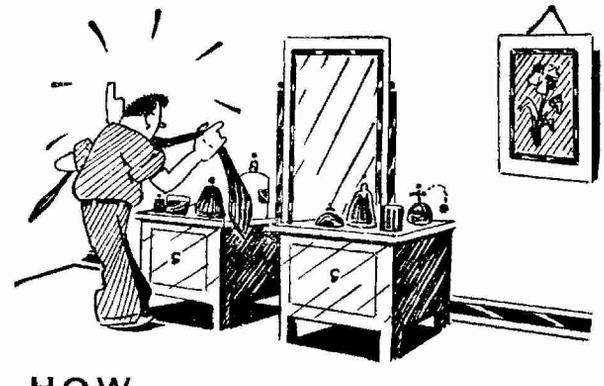

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Japan "New Deal" Policies Are Adopted After Long Discussion

Three months of laborious study and discussion by the Japanese cabinet came to an end Aug. 25, as seven, out of more than 30 draft important national policies submitted by various ministries, were adopted for enforcement. The program, which forms a cornerstone of the much-publicized "New Deal" of the Hirota Cabinet, is designed to have far-reaching effects on Japanese national life, trade and industry. Leading the list of policies is the strengthening of national defense, in the air, on land and at sea. Second comes the reform of the educational system, providing for a two-year extension of the present six-year term of compulsory education. Third listed are the reforms of the taxation systems, both national and local.

The fourth item, labeled "the stabilization of national livelihood," seeks the prevention of disasters caused by natural calamities, the promotion of national health; the rehabilitation of farming and fishing villages and the development of commerce and industry carried on a medium or small scale. Fifth on the list comes the development of industry and foreign trade by means of the state control of the electric power industry; self-sufficiency in the supply of fuel oil, iron and steel; the protection of the sources of supply of raw materials required by the textile industries; the expansion and control of external commerce; the development of civilian aviation and merchant marine services and the promotion of Japanese commercial and concomic expansion overseas. The sixth point deals with Manchukuo. Emigration and investments to the new Empire will be encouraged. Seventh and last on the platform is the reform and renovation of the government's administrative machinery.

Dr. Baba Seeks Aid of Premier to Curb Further Raids on Treasury

Confronted with the prospects of having to balance a record budget aggregating Yen 3,200,000,000, roughly Yen 900,000-000 larger than that for the present fiscal year, Dr. Eiichi Baba, Minister of Finance, has been seeking the aid of Premier Koki Hirota in curbing further raids on the Treasury by the armed services. At a conferenc with the Premier Aug. 20, the Exchequer head is understood to have stressed that, while he was in favor of compiling a "Defense First" budget, he would be unable to entertain excessive demands from the Army and the Navy if he was to make both ends of the Governmental balance sheet meet.

Japanese Government Estimates Exceed Three Billion Yen

Fears that a conflict of opinion between representatives of the armed services and those of the civilian branches of the Tokyo Government may lead to a wide-open rift of serious consequence to the Hirota Cabinet were freely voiced by political observers in the Japanese Capital Aug. 23. This followed the revelation that Dr. Baba, Minister of Finance, would seek to obtain a Yen 500,-000,000 reduction in the preliminary budgetary demands totalling Yen 1,570,000,000 expected to be made jointly by the Army and the Navy. Of this total, the land service would receive Yen 800,000,000 and the sea arm Yen 770,000,000. The projected total for both services would be Yen 510,000,000 more than the military and naval branches jointly obtained this fiscal year.

Meantime, all ministries, with the exception of the Army, have filed their draft estimates with the Ministry of Finance, thus permitting the Cabinet to schedule final discussions of the "New Deal" program consisting at present of 13 major items.

The total proposed requirements of the government, including the sums which the Army will probably request, aggregate to Yen 3,230,000,000, or Yen 430,000,000 more than the total asked for, but not approved, last year. This includes Yen 1,350,000,000 which the various ministries propose to devote to various new undertakings in addition to the Yen 1,880,000,000 "basic" or ordinary budget. The latter sum, in itself, represents an increase of Yen 220,000,000 over this fiscal year's appropriations for the same purpose.

Shipbuilders in Japan Enjoy Wave of Prosperity

The shipbuilding world's boom in Japan which has followed the spectacular advance of the munitions industries and the shipping world is considered a rare post-war phenomenon. The *Tokyo Asahi* states that vessels to be built by various shipyards in Japan during this year and next year will aggregate more than 500,000 tons. According to investigations by the Ministry of Communications, the number of ships built has been increasing year after year. In 1934 the number of vessels built was 58, aggregating 141,856 tons. Last year it numbered 94 vessels, aggregating only 132,365 tons, but it is noted that the decrease in 1935 was due to the fact that the period of completion had been spread over the previous or the following year.

Japanese Trade With China and Manchukuo Shows Increase

Japanese Trade with China, Manchukuo, the Kwantung Leased Territory, and Hongkong during July showed an increase of 12 percent in comparison with the corresponding month last year. Exports totalled Yen 53,545,000 and imports Yen 24,933,000. This represented an increase of 13 percent in exports and a growth of .89 percent in imports as compared to July 1935, the Tokyo Ministry of Finance revealed Aug. 17. The total excess of exports over imports since January was brought up to Yen 149,248,000, a decrease of Yen 19,394,000 when compared to the same period last year.

Japanese Trade Balance Favorable

Japan's overseas trade for the ten days ended Aug. 20 with a favorable balance of Yen 3,515,000, with exports totalling Yen 75,233,000 and imports amounting to Yen 71,718,000, the Finance Ministry announced on said date.

Tokyo Foreign Office Will Establish Industrial Research Institutes in Tientsin and Tsinan

The Tokyo Foreign Office has decided to establish industrial research institutes in Tientsin and in Tsinan as one of the activities of the Chinese Cultural Affairs Section of the Gaimusho. *Domei* says this action is commended in Japan as indicating a new trend in the operations of the section, which, hitherto, had dealt exclusively with educational and academic matters. These, critics said, were kept too aloof from the Chinese people and brought little immediate results in creating closer bonds between Japan and China. The decision was reached at a long conference at the Gaimusho Aug. 18 attended by Hachiro Arita, Foreign Minister; Kensuke Horinouchi, vice-minister; Kazue Kuwajima, director of the Bureau of East Asiatic Affairs; Shinichi Murakami, chief of the first section of the East Asiatic Affairs Bureau; and Kenichi Okada, chief of the Cultural Affairs Section and others.

Japan to Spend Yen 200,000 to Entertain Brazilian Mission

With a Yen 200,000 fund to draw upon, members of the reception committee appointed to receive the Brazilian economic mission, due here next month, are making elaborate entertainment plans. The amount is defrayed partly by a Government appropriation and partly by subscriptions by business firms.

Proposed Transfer of C.M.S.N. to N.E.C. Said to Be Unworkable

In connection with recent press reports that the Ministry of Communications was planning to transfer the China Merchants' Steam Navigation Company to the control of the National Economic Council, information gathered by the *Central News Agency* from various circles concerned reveals that such a plan is difficult of execution for the time being. The plan for the transfer of the only government-operated shipping concern to the N.E.C., it is stated, had once been seriously considered by the Ministry of Communications purely because of the financial difficulties that have hampered the development of the navigation firm. But the scheme is now regarded as unworkable in view of the fact that the budgetary estimates of the National Economic Council have already been fixed and it is questionable whether it is capable of financing any additional projects at present.

T. V. Soong, member of the Standing Committee of the National Economic Council, in an interview denied that any change in the status of the C.M.S.N. was contemplated.

Merchants Request Opening of Chinese Steamship Service to South Seas

Endorsing a recent petition from Chinese merchants of the South Seas, the Shanghai Chamber of Commerce has sent a telegram to the Ministries of Industry and Communications urging the opening of steamship service to the South Seas by the China Merchants Steam Navigation Company in order to facilitate the transportation of Chinese products there. The letter from the South Seas Chinese merchants to the Shanghai Chamber of Commerce, in expressing gratification over the improved export trade of China since the reform of her currency, remarked that flour, an item which has never been on the export list of Chinese products to the South Seas is now entering the Nanyang market in increasing quantities. However, the easy marketing of goods depends largely on the low cost of production, of which the transportation expense is an important item, the letter pointed out.

Nanking Buys 500 Two-and-Half-Ton Military Trucks

The National Government is now assembling in Shanghai the first shipment of 500 trucks, each of 2½ tons capacity for military service. They were purchased in the United States through the Wah Chang Corporation of which K. C. Lee of New York is general manager. The order included General Motors and Dodge types. Most of the bodies for the trucks are being constructed in local Shanghai garages.

This is the second large truck order negotiated through the Wah Chang Corporation, the other consisting of Reo trucks, most of which were sent to interior points.

China's Makes Huge Aircraft Purchases in the U.S.

China purchased $660,924 worth of armaments in the United States during the month of July, of which $569,260 consisted of aircraft engines, $71,295 aircraft parts, and the remainder miscellaneous guns, explosives, and timing devices, according to a *United Press* dispatch from Washington Aug. 18.

The Netherlands Indies in the same period purchased $1,288,027 worth of goods, mostly combat and bombing planes, together with a substantial amount of parts, and engines.

Japanese to Fly in Round-The-World Air Race

Yosuke Kaga, first class pilot and a crack flier of the Japan Air Transportation Company, announced in Fukuoka Aug. 18 that he would take part in the round-the-world race to be staged next August under the auspicies of the French Aviation League.

Japanese Air Transport to Use 20-Passenger Transports

Airliners with a capacity for 20 passengers will be used on the main Japanese lines by 1940 to facilitate travel by visitors attending the Olympic Games, the Japan Air Transport Company in Tokyo Aug. 22.

Japanese Army Craft Return to Base from Manchukuo Flight

Three out of four Japanese Army scouting aircraft that left Tokorozawa Aug. 17 on a 5,900-kilometer circuit flight to Tsitsihar, Manchukuo, and back, arrived at Tokorozawa Aug. 23. One machine was delayed because of engine trouble.

Soviet Government Celebrates Aviation Day

The Soviet Government celebrated Aviation Day Aug. 18. The newspapers generally devoted editorials to the achievements of Soviet aviation, and published numerous articles regarding the best Soviet fliers and designers. The entire Soviet press emphasized the enormous achievements of Soviet aviation and the opening up before it of new, great possibilities.

Dollar Line to Act as Agents for Pan-American Airways

R. Stanley Dollar, president of the Dollar Steamship Co. and the American Mail Line, announced in San Franciso Aug. 18 that the companies had been appointed general agents in the Far East for Pan-American Airways, Inc., operators of the trans-Pacific air mail service, which now extends to Manila and which is expected later to carry both mail and passengers to the mainland of China.

Narcotic Dealers in North China to Be Sentenced to Death

Dealers in narcotics, regardless of the quantity sold, will be punished by death, according to a proclamation issued at Tientsin, Aug. 8 by the Hopei-Chahar Political Affairs Committee. Persons, found supplying opium and opium-smoking paraphernalia to others for a profit, will also be given the death sentence, the notice further stated.

105 Persons Arrested in Japanese-Owned Opium Den in Peiping

Acting in co-operation with the Japanese consular police, the Chinese police raided a gambling and opium den in the Chinese City in Peiping on the night of Aug. 20 and arrested 105 persons, including a Japanese and four Koreans. The den was nominally owned by a Japanese subject.

Two Hundred Thousand Opium Smokers in Hunan

There are 220,745 opium smokers in the Province in Hunan, excluding those who have not yet registered with the Provincial authorities, according to a report submitted to General Chiang Kai-shek by General Ho Chien, Chairman of Hunan, Aug. 15.

Measures Designed to Hasten Consummation of Six-Year Anti-Drug Scheme Announced

Efficient administration of opium suppression funds, gradual reduction of authorized poppy-planting areas, strict government control over transportation and sales of opium, compulsory cure of opium addicts, and encouragement for reporting opium dens and opium traffickers will be hereafter emphasized in the anti-opium campaign in order to hasten its conclusion within six years as previously planned, according to an announcement made by the Directorate-General of Opium Suppression last week.

Maker of Red Narcotic Pills Sentenced at District Court

Koh Hoh-ming, was sentenced to 12 years and six months' imprisonment by the Shanghai First Special District Court Aug. 24 following conviction on a charge of manufacturing red narcotic pills. Five bags, containing 8,500 pills, were ordered confiscated. Koh was arrested at 143 Sinza Road, Aug. 18. Detectives who raided the place seized equipment for manufacture of the narcotic pills as well as a stock of pills and various ingredients used. Koh was the only man on the premises at the time and admitted that he was sole owner of the establishment.

A Menace To Young Girls.

Miss Swanson's Experience.

"Many young girls would be spared much suffering if they would only follow my example. I was in a seriously anaemic condition, languid, pale, breathless, and terribly nervous. I felt exhausted and always wanted to cry, so much so, that I was eventually reduced to a state of prostration.

"No remedy seemed to do me any good until I took Dr. Williams' Pink Pills. These pills brought about a surprising improvement. My shortness of breath disappeared, my appetite became better, and colour came back to my cheeks. My nerves were calmed and to-day, at the end of my cure, that terrible feeling of utter exhaustion has given place to splendid health."

Such is the experience of Miss Vera Swanson, of 3. New River Street, Weaste, Lancs. England; as related by herself, for the information of other young girls suffering as she did.

There is only one way to overcome anaemia; it is by giving to the system new blood, rich and abundant, able perfectly to fill the role of 'liquid nourisher'. Your blood needs iron—Dr. Williams' Pink Pills supply it in a form easily assimilable, and it is because these pills bring to the system, in actual fact, new blood, pure and revitalized, that they have proved so successful in the treatment of anaemia.

Begin a course of Dr. Williams' Pink Pills to-day, if you have reason to suspect that your blood is impoverished. You will soon notice an improvement in your state of health. Chemists everywhere sell this world famous tonic for the blood and nerves.

OLING
DISINFECTING FLUID
水臭疫防林亞

家庭團體 日常必需

防疫消毒 增進健康

行發房藥大洲五
International Dispensary Co., Ltd.
SHANGHAI

77-517

Zinovieff and Kamenev Are Executed—Appeal for Clemency Rejected

Gregory Zinovieff and Leo Kamenev, men who made history as leaders of the Bolshevist revolution, sat weeping with 14 fellow prisoners, who were also in a state of collapse, as M. Vishinsky, the chief prosecutor, demanded that they be sentenced to death at the session in Moscow Aug. 22 when a charge of counter-revolutionary activities against them was heard. "This society of political murderers—these beasts— must pay with their heads for their monstrous crime against the Fatherland," declared Vishinsky. Earlier in the proceedings, Fritz David, a young German emigre and follower of Marx, declared that Trotsky had told him there were two methods whereby the "Trotskyites" might come into power—a Russian defeat in war with Japan or the assassination of M. Stalin. The second method was considered more practicable and David said he was instructed to kill Stalin.

As a result of evidence given at the trial the Attorney-General announced that investigations will be made into the charges against Karl Radek, Bukharin, Rykoff, Tomsky and Pyatakoff of complicity with the Trotsky bloc. The announcement coincided with a fierce article in *Isvestia* in which Radek, Stalin's mouthpiece on foreign affairs, demanded "death on a band of bloody assassins, which they deserve a hundred times."

Radek related how Trotsky, already in January, 1928, was preparing his flight abroad and urged Radek and others to do the same in order to create abroad a center of the leadership of Trotzkyists activities in the U.S.S.R. "Although I was then captured by Trotzkyism and was committing a grave crime against the Party," says Radek, "I was horrified with the thought of acting under the protection of Bourgeois states against the U.S.S.R. and sabotaged the attempt to flight.

A military tribunal in Moscow Aug. 23 foun the sixteen defendants, accused of complicity in a plot to assassinate high Soviet officials, guilty of counter-revolutionary activities, and sentenced them to death before a firing squad.

During the final sessions, the presiding judge banned all references to Germany and Nazi leaders, apparently in an effort to avoid international complications following the testimony of Moses Lurlie, a German, that German Communists had allegedly remarked that Josef Stalin, secretary-general of the Communist Party in the U.S.S.R., might have prevented Herr Hitler's rise to power several years ago.

None of the defendants had made any effort during the trial to defend his actions, but had pleaded guilty to attempts at assassination. Zinovieff and Kamenev boldly admitted participation in the assassination in 1934 of Sergei Kirov, lieutenant of M. Stalin, and to plots to kill M. Stalin himself and other high Soviet officials last May. They testified that personal hatred for Stalin and a lust for power urged them into their terroristic activities.

Leon Trotsky and his son, Sedoff, were convicted by default during the early days of the trial and are now subject to immediate arrest and trial by the high military tribunal if found on Soviet territory.

All accused confessed that they were found guilty on all counts, and did not think they would avail themselves of the opportunity to appeal.

The Second Internationale and the International Federation of Trade Unions interceded in favor of Zinovieff, Kamenev and other implicated in the Moscow trial.

Zinovieff and Kamenev, were executed on the morning of Aug. 25, with 14 others. The accused met their death before a firing-squad after the presidium of the Central Executive Committee had rejected their appeal for clemency.

Chinese Paper Lauds Stalin, Says He Grasps Realities

The *Kuo Wen Weekly* on August 24 commented that the elevation of the international status and the remarkable progress in internal administration of the U.S.S.R. is, without doubt, due to the admirable efforts of Stalin; in fact, so far as knowledge and clooquence are concerned, Stalin is inferior to Trotsky; but the reason that he has succeeded in the upbuilding of the proletarian State is that he is able to grasp the actual realities and exerts his last drop of energy in their accomplishment.

Shigemitsu Appointed Ambassador to Moscow

Mamoru Shigemitsu, one-time Minister to China and former vice-minister of Foreign Affairs, was formally appointed Ambassador to Soviet Russia following a decision reached by the Japanese Cabinet Aug. 25. This action came as a sequel to the receipt earlier the same date of the acceptance by the Kremlin of Mr. Shigemitsu's projected appointment, which had been communicated to Mosocw in advance in keeping with diplomatic usage.

The new envoy, who will succeed Mr. Ohta, who retired following his return to Japan two weeks ago, is scheduled to leave for his post in November.

Russia Unwilling to Withdraw Troops in East, Ohta Tells Arita

Little hope exists that the Kremlin may agree to the Japanese proposals for the withdrawal of the Soviet forces in the Far East and for the creation of a demilitarized zone along the Manchukuo border, Tamekichi Ohta, retiring ambassador to Moscow, reported to Hachiro Arita, Foreign Minister, Aug. 19. On the other hand Mr. Ohta stressed that the Soviet offer for the conclusion of a non-aggression pact with Japan had not yet been withdrawn.

In the Far East, the U.S.S.R. was reportedly described as having achieved a strong position by the completion of a ring of fortifications along the Manchurian border and the concentration of an army 300,000 strong to man them. Additional strength had been acquired by the completion of the double-tracking operations on the Trans-Siberian railway, the progress made at Komsolmolsk and other industrial centers.

Tamekichi Ohta, retiring envoy to the Kremlin, told his colleagues in Tokyo Aug. 18 that Japan should give sympathetic consideration to a scheme for the conclusion of a non-aggression pact with Soviet Russia, should the latter agree to withdraw her troops now concentrated on the borders of Manchukuo.

The Tokyo *Nichi Nichi* Aug. 12 pointed out that Mr. Arita Foreign Minister, in his reports to the Cabinet, made it known that the focal point of Japan's diplomacy is placed on strong enforcement of Japan's Soviet policy and Japan's determination to readjust Japan's relations with Soviet Russia, which has strong military and equipment in the Far East and is constantly menacing Japan and Manchukuo.

A Japanese Girl Arrested for "Offending Against Public Morals" in Company of a Russian

The Tokyo *Miyako* of Aug. 19 stated that a few days previously the police had arrested a Japanese girl, "in the act of offending public morals" in the room of a Mr. Petrov, 42, member of the trade representation of a "certain country," at the Bunka Apartments. The girl was taken to the Motofuji police station in Hongo Ward but the man disappeared. There is strong suspicion on the part of the police that Mr. Petrov has sought to use the girl as an instrument of espionage.

Japan Joins Hsinking in Protest Against Soviet Bullets Falling on Russian Soil

Hachiro Arita, Japanese Minister for Foreign Affairs, Aug. 21 instructed Shuichi Sakoh, charge d'affaires in Moscow, to draw the attention of the Soviet authorities to the alleged continuous fall on Manchukuo soil near Tungning, Kirin, of bullets fired by "Red" border guards.

Soviet Ambassador Visits Hangchow

M. Bogomolov, Soviet Ambassador to China, who is on a pleasure trip to Wenchow and Shaoshing, arrived in Hangchow Aug. 23. He was accorded a cordial reception by Chow Shan-yien, Mayor of Hangchow and other Chinese officials.

Soviets Induce Many White Russians to Return Home

The *Shanghai Nippo* Aug. 23 wrote as follows concerning the reason for the downfall of the White Russian movement:

"The Soviet Government has recently had success in creating friendly relations with the White Russians in Shanghai due to efficient propaganda work under the auspices of the "Russian Young Men's Alliance".

The Soviet Government has beckoned the White Russians, shouting enthusiastically, "meet the call of your Mother country!" "Come back to Russia!" Moreover, the prevailing propaganda which exaggerates an impending war between the U.S.S.R. and Japan and Manchukuo also appeals to the national consciousness of every White Russian. "Physically, and mentally, the Soviet Government has succeeded in persuading the White Russians to return back home. Of the 23,000 White Russians in Shanghai, as least twenty per cent of them have the intention of taking up a pro-Soviet attitude."

Chen Again Denies Secret Sino-Soviet Accord

Chen Chieh, political Vice-Minister for Foreign Affairs, Aug. 22 again denied in an interview with Yakichiro Suma, Japanese Consul-General in Nanking, persistent reports of the existence of a secret Sino-Soviet treaty, *Domei* said it had learned on good authority. Mr. Chen is, however, understood to have pointed out that negotiations had been going on for the last three years between Nanking and Moscow for the conclusion of a commercial treaty. These were at a standstill at present because of a difference in views between the two governments, he is further understood to have informed Mr. Suma.

W. C. Bullitt, U. S. Ambassador to Russia, to Be Shifted to Paris

The United States Ambassador to Paris, Jesse Isidor Strauss, resigned his post Aug. 23 for reasons of ill health and will be succeeded by William Bullitt, now America's envoy to Moscow. In a statement to the press, the President, Franklin D. Roosevelt, explained that Mr. Strauss was ordered by his physicians to take a complete rest for a period of six months.

Dr. Tsiang Ting-fu Succeeds Dr. W. W. Yen as Ambassador to Russia

The acceptance of Dr. W. W. Yen's resignation from his post as Chinese Ambassador to Soviet Russia was confirmed by Chen Cheh, Vice-Minister of Foreign Affairs, on his arrival in Shanghai Aug. 15 from Nanking. Immediately afterwards the appointment of Dr. Tsiang Ting-fu (T. F. Tsiang), Director of the Political Affairs Department of the Executive Yuan was announced, as the new Ambassador, Moscow having approved the appointment. The new appointee will go to his native province of Hunan before proceeding to Moscow, whither he is expected to leave in the autumn. Dr. Chiang was born in Shaoyang, Paoking, Hunan in 1895. After attending Minteh Elementary School in Changsha and Yichi School in Siangtan he entered Park Academy in the U. S. in 1912, finishing in 1914; he later attended Oberlin College, (1914-18). He was in France, as Y.M.C.A. Secretary from July 1918 to 1919. He received the Ph. D. Degree from Columbia University in 1923. He then returned to China and became Professor of History in Nanking University 1923-29; was Professor of History and Head of the Department in National Tsing Hua University, 1929-35; lectured in London University and Oxford University, spring 1925. Had been chief of Political Section, Executive Yuan of National Government since winter of 1935. In addition to a large literary output on historical and political subjects in many magazines, he is the author of "Select Documents Illustrating the History of Chinese Diplomacy," published by Commercial Press.

Dr. TSIANG TING-FU

The Shanghai *Nippo* commented that Mr. Chiang will blaze a new trail in the field of diplomatic dealing with Soviet Russia.

Madame Sun Yat-sen Works for the Release of the Noulens Couple

According to Sun Fo, President of the Legislative Yuan, the Nanking Government will soon announce a great amnesty to all political prisoners. The object of this amnesty, Mr. Sun said, is to minimize the collective force of the opposing parties.

A Japanese message reported that Madame Sun, widow of the late Dr. Sun Yat-sen, who is spending her summer vacation in Laoshan, has petitioned the competent authorities for an amnesty for the political prisoners who were arrested sometime ago. Interviewing the leaders of the National Government, she asked for the promulgation of an amnesty for all political prisoners in the forthcoming People's Convention on Nov. 12, her efforts rather being concentrated on the release of the Noulens couple, trusted agents of the Third International, who had been sentenced to life imprisonment in Nanking.

Appointments and Movements in Official Circles

Lu Wen-lan, President of the 4th branch of the Kiangsu Provincial High Court and concurrently President of the Tungshan (Hsuchow) District Court, was formally inducted into office at Hsuchow Aug. 15.

The Ministry of Education has despatched Messrs. Tang Hsi-fen and Sun Kuo-feng, School Inspectors, to Kwangtung to inspect educational conditions there.

Liu Hou, chief technical expert of the Ministry of Industry, who accompanied the Chinese Economic Mission to Siam and later proceeded to Annam to investigate the rice milling industry there, returned to the Capital Aug. 14.

Shih Ting-chen, newly appointed president of the Kwangtung High Court, proceeded to Canton last week and assumed the duties of his office.

Farnsworth Arraignment Postponed So as Not to Embarras Japanese Naval Visitors

The arraignment of John S. Farnsworth, former lieutenant-commander in the United States Navy who is charged with selling naval secrets to Japanese agents, was postponed from Aug. 20 to Aug. 27. It was reported that the Department of State suggested a delay in the hearing in order to avoid embarrassment to the officers of the Japanese naval training squadron visiting Washington under the command of Vice-Admiral Zengo Yoshida.

In the United States Court for China

In re. ESTATE of MARSHAL SMITH HAIRSTON, Deceased.

Cause No. 4082
Special Proceedings No. 1966
NOTICE
Filed at Shanghai, China, July 31, 1936.
William T. Collins, Clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Marshal Smith Hairston, deceased, to present the same with vouchers to the undersigned on or before February 8, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

IVEY GOODMAN RIDDICK,
175 Soochow Road,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re. the Estate of CHARLES NEWTON DUBS, Deceased.

Cause No. 4088
Special Proceedings No. 1967
NOTICE
Filed at Shanghai, China, July 31, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Charles Newton Dubs, deceased, to present the same with vouchers to the undersigned on or before February 8, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Minnie G. Dubs,
Administratrix
c/o Allman & Co.
206 Hamilton House
Shanghai, China.

Shanghai, China.

I. P. R. Japanese Delegates Say Not Interested in Philippines

Japanese delegates to the Institute of Pacific Relations, (which is in session at Yosemite, California) attending the round table discussion Aug. 17 announced that Japan was so little interested in the Philippines that they were surprised that anyone would want to discuss the question of whether the Philippines were capable of defending themselves.

Japan is convinced that world peace may be maintained only through the construction of new peace machinery decentralizing world policing into regional agreements, and through leaving the settlement of Far Eastern questions to the Pacific nations, Mr. Takayanagi, Japanese delegate to the Institute of Pacific relations conference, told reporters Aug. 20. "While economic relations between Europe and the United States will always remain purely economic relations," Mr. Takayanagi said, "China and Japan are on a different basis due to geographical propinquity."

Defending child labor in Japan, the Japanese spokesmen stated that no deleterious effects were suffered by the population as a result of the policy, claiming that Japanese girls were so dexterous as to become efficient operators of machines in three months, as compared with several years in the case of English women.

Answering the demand for a clear cut statement as to whether the world-wide expansion of Japanese trade was designed to conceal imperialistic aims, expressed by A. V. Alexander, former First Lord of the Admiralty of Great Britain, Japanese delegates declared that Japan's expansionist program had been undertaken purely for commercial profit and for the discovery of outlets for her excess population. The ultimate aim of Japan, said one of the Japanese delegates, was the perfecting of economic and military peace with all countries of the world.

Japan's Expanding Foreign Trade May Cause Rebellion at Home

Japan's constantly expanding foreign trade of the past few years constitutes a serious menace of rebellion at home and possibly a threat to world peace, according to a bulletin issued by the American Council of the Institute of Pacific Relations. The danger, according to the research bulletin, does not lie in any aggressive motives on the part of the Japanese government, but more on the growing discontent of the agricultural and industrial workers of Japan. The Institute takes the position that with any further deterioration in the position of the Japanese agricultural and industrial workers, and with a corresponding increase in their present dissatisfaction, Japan runs the grave risk of internal rebellion. This in turn, it is asserted, engenders the possibility of world war, especially as the only alternatives left open to Japan, it is said, would be further imperialistic enterprises, to keep the population at home content and under control.

Sir Kenneth Wigram, a member of the British delegation to the Institute, stated that "the world has made a bogey out of Japanese trade expansion." He expressed the opinion that the increase of Japanese exports to all parts of the world did not constitute the menace to other nations which press accounts and utterance of public functionaries in many parts of the world would indicate. Newton D. Baker, former United States Secretary of War, concurred in this opinion. "The expansion of Japan foreign trade," he asserted, "has been greatly magnified, both in fact and in appearance."

Japan does not intend to become an isolationist nation, declared Yosuke Tsurumi, a member of the Japanese Diet, in an address to the delegates, Aug. 21. In a few years, Mr. Tsurumi declared, Japan will be able to resume her role in the family of nations. "We are at presently merely passing through the throes of internal readjustment."

Newspaper correspondents who talked with the Japanese delegates when they passed through Honolulu Aug. 6 commented: Early hopes that the Yosemite conference might result in some realistic discussions of the North-China-Manchuria situation which in turn would give interested governments and individuals some unofficial hints as to what official actions may be due in the near future, are almost entirely discredited by the personnel of the Japanese delegation.

Soviets Say They Have No Territorial Designs in Mongolia

The U.S.S.R. has no territorial designs in Outer Mongolia, Soviet delegates to the Institute of Pacific Relations conference stated Aug. 21. Its only invasion of Outer Mongolia, they said, was to oust an unofficial army with which the Mongolians were unable to cope. To back up their argument the delegates pointed to the treaty between the Soviet Union and Outer Mongolia-insuring Mongolian stability. This treaty, known as a mutual-aid pact, and concluded on March 12, provides for mutual assistance on the part of each country in case of the menace of a third; but it also provides that if troops are sent to the aid of one of the parties they shall be withdrawn as soon as the emergency is concluded. The U.S.S.R. also recognizes China's sovereignty over Manchuria, the Soviet delegates concluded.

British Delegate Wants Light on U. S. Isolation Policy

A. G. Elliot Smith, delegate from Great Britain, told the plenary session of the Institute that the recovery program of the United States has been discouraging because it has failed to indicate whether America's isolationist policy is temporary or permanent. "If it is temporary," Mr. Smith declared, "it will only delay the time when America will be obliged to play a full role in international recovery."

Dr. Hu Shih Says China Is Determined to Fight for Indenpendence

China regards all peace machinery shattered and realizes that hereafter she must count herself alone, Dr. Hu Shih, Chinese delegate to the conference of the Institute of Pacific Relations, told assembled delegates Aug. 24. Referring to the "three point program" of Premier Hirota, Dr. Hu said that apparently Japan's final objective was complete political control of China. China, however, is determined to continue her fight for independence, Dr. Hu asserted, and is already laying the physical basis for national unification by means of railway construction, aviation, education and flood control.

"China's 100,000 kilometres of railroads enabled Nanking to supress China's Red revolt, as well as the more recent Fukien rebellion," Dr. Hu said. "Only the future will show what are the real Sino-Soviet relations."

Bisson Says Best Solution for China World Be International Arrangement

T. A. Bisson, a member of the Foreign Policy Association, declared that the best solution for China's problems would be an international arrangement whereby China might continue her reconstruction without the necessity of armed resistance.

Traffic Inauguration of Canton-Hankow Railway May Be Delayed

Mountain freshets which are menacing the track of the Canton-Hankow Railway between Pinchow and Pingshih may delay the formal opening of the Railway to traffic, which has been scheduled for Sept. 1, according to the Railway Administration. Engineers have been dispatched to inspect the situation along that section.

Through train service on the section of the Canton-Hankow Railway between Canton and Hengchow, midway of the line, in southeastern Hunan, was inaugurated Aug. 20.

A preparatory bureau is to be organized by the Ministry of Railways for making necessary preparations for the construction of a gigantic railway workshop in China. Chuchow, an important town along the Canton-Hankow Railway in central Hunan, has chosen as the site for the new workshop.

Four Killed by Peiping-Shanghai Express

Four persons were killed instantly when the Peiping-Shanghai Through Express ran over them at the Chenchiakou crossing near Tientsin on the night of Aug. 18. Two others were seriously injured.

Ministry to Get Loan for Completion of Canton-Hankow Railway

The Ministry of Railways has started negotiations with leading Chinese banks for a loan of $3,000,000 for the completion of the Canton-Hankow Railway. The proposed loan, it is stated, will be secured on the repayment of the Tientsin-Pukow and Kiaochow-Tsinan Railways material loans, the second installment of the material loan for the Nanking train ferry and the loan extended to the Shanghai-Hangchow-Ningpo Railway for the purchase of rolling stocks by the British Boxer Indemnity Board.

Huge Bridge at Nanchang to Be Completed Before End of November

With the expected completion of the Chungcheng steel bridge at Nanchang before the end of November, through traffic between the Chekiang-Kiangsi and the Nanchang-Kiukiang railways is scheduled to take place Jan. 1, 1937. Construction work started late in 1934. The bridge is 1,086 meters in length and has 29 arches, its total cost being $858,000. It is named after General Chiang Kai-shek, president of the Executive Yuan, whose courtesy name is Chung-cheng.

Plan for Readjustment of Lunghai Railway Loans Announced

The detailed plan for the readjustment of the Lunghai Railway loans, which has been recently approved by the Executive Yuan and the Central Political Council, was announced by the Ministries of Railways and Finance Aug. 24. The plan was mapped out as a result of protracted negotiations between the diplomatic representatives of the Belgian, French and Netherlands Governments and the central authorities during the past six months. It has been agreed by all the parties concerned that a sum of $150,000,000 representing the interest of the loans in arrears and a portion of the interest for the period immediately after the enforcement of the readjustment plan till the commencement of the repayment of the principal of the loans shall be set off. The loans which are to be readjusted, (reduced interest being paid) according to the plan, include the 5-percent loan of £4,000,000 of 1913; 8-percent short term loan of 30,750,000 guilders of 1923; 8 percent short term of 137,743,000 francs of 1920-21 and 1923; 8-percent short term loan of $5,000,000 of 1924 and 8-percent short term loan of 21,250,000 francs of 1925. It has been agreed that the interest in arrears before the year 1936 is to be totally cancelled.

Sino-Japanese Power Company Formed in Tientsin

The $8,000,000 Tientsin Electric Power Company, Ltd., was inaugurated in the northern port Aug. 20. The firm, financed partly by the Hsing Chung Kung Ssu, a South Manchuria Railway Company subsidiary, will engage in the production, distribution and sale of electric power and the operation of electric railways within the Tientsin Special Municipality. It will erect a 20,000-kilowatt steam-operated power plant to serve the First Special Area, (which at present has no source of electric supply of its own) and factories in the adjoining Japanese Concession. Sixteen thousand shares, each valued at $50, were sold. First payment on each debenture was $25. Chang Tsu-chung, Mayor of Tientsin, will be chairman of the board of directors, while Ma Yen-chung, Keizo-Hirayama, Kaoru Nagasawa, and Pien Shio-ching will act as directors. Ichimatsu Morita and Chang Yue-hung were named auditors.

British Opposition to Formation of Sino-Japanese Power Company

A *Hwalien* message Aug. 22 stated that the establishment of a joint Sino-Japanese Power Company in Tientsin has roused strong opposition from the British and Belgium authorities.

It has been pointed out that the formation of a Sino-Japanese Power Company will inflict heavy losses on the Belgium Tramway Company and the British Power Company.

The Trend Towards Sino-Japanese "Cooperation" in the North

S. Kawagoe, the Japanese Ambassador to China, was the guest of honor at a reception tendered in Tientsin Aug. 21 by the Chinese Chamber of Commerce and Bankers' Guild. Chi Hua, president of the Chamber of Commerce, declared in a short speech of welcome that the work of Mr. Kawagoe as Japanese Consul-General in Tientsin had evoked admiration. Stressing the need for promoting closer relationship between China and Japan and a spirit of mutual assistance, Mr. Chi stated that all Chinese business-men desired a readjustment of relations between the two countries. Replying, the Japanese envoy said that political relations between China and Japan must bring true co-operation in both the political and economic spheres, but that much depended upon economic leaders of both countries, whose work was more effective.

A *Domei* message from Peiping Aug. 21 stated that suggestions for Sino-Japanese economic co-operation made by Shigeru Kawagoe, Japanese Ambassador to China, to Gen. Sung Cheh-yuan, chairman of the Hopei and Chahar Council, have evoked a favorable response among Chinese in the former capital. A jealous interest in the territorial sovereignty of China was however evidenced simultaneously, fears being expressed that political advantages may be sought by Japan as a price for economic assistance. A check of opinion as expressed in the personal newspaper of Gen. Sung, voiced in interviews by officials of the Hopei and Chahar Council of varied political affiliations and by bankers and financiers showed a general acceptance of the Japanese proposals, *Domei* said.

In the opinion of one official "it's better for China to accept a helping hand now than to meet a mailed fist in the future." By co-operating with Japan now, he said, China would be able to maintain her sovereign rights intact and also protect her interests.

Kuwajima Discusses North China Investments with Osaka Industrialists

Kazue Kuwajima, director of the East Asiatic Affairs Bureau of the Tokyo Foreign Office, proceeded to Osaka this week where he conferred with Kwansai industrialists on the propects for investments and commercial activities in North China. Mr. Kuwajima, who toured China in the spring, will be acting under instructions from Hachiro Arita, Foreign Minister, to whom he will later report on the attitude of the financiers regarding operations in North China.

Korean Bank in North China Expands Bsuiness

The Korean Bank in Tientsin is making feverish preparations to expand its business in North China. Branch offices will be established in Peiping, Tsingtao, Tsinan and Tungchow. A special envoy was sent to Tsingtao this week to conduct investigations of the financial condition there. Paper notes issued by the Korean Bank, which are freely circulating in North China, amount to more than 700,000 yen, according to the *Shun Pao*.

Tientsin Flour Exchange Holds Initial Meeting

The Chinese Cotton and Flour Exchange, newly organized by Chinese merchants with a paid-up capital of $200,000, held its initial meeting in Tientsin Aug. 16.

"Yellow Sand" Society Suppressed by Japanese in Demilitarized Zone

According to the Peiping *Shih Pao*, the Huang Sha Hui, or Yellow Sand Society, a secret order which has been active in the demilitarized zone, has been suppressed by the Japanese. It is estimated that about 300 members of the society have been killed or wounded.

CUSTOMS NOTIFICATION NO. 1541

With reference to Customs Notification No. 1521, covering a set of Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China, the public is now notified that the Government have issued the following explanatory ruling in connexion with Articles 2, 3 and 6 of the Regulations:—

When duty-paid goods (liable to inspection) shipped by river or coastal steamers from the port of importation to another open port, for which no Conveyance Certificate has been obtained, are to be transported from the second port to other places for sale, the shipper must apply for a Conveyance Certificate from the Customs (at the second port) in accordance with Article 2 of the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China. The procedure laid down in Article 6 of the regulations shall still be followed when goods transported from the port of original importation by train, inland waters steamer, junk, or motor vehicle under cover of a Conveyance Certificate are reshipped from the second port to other places for sale.

CHU CHANG-NIEN,
Superintendent of Customs,

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 20th August, 1936.

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Students and Officers of China University in Serious Clash

Five youths were detained by the Bureau of Public Safety and three police officers were receiving treatment in a hospital Aug. 21 as result of a clash between students and officers at the Chinan University, Chenju, the previous day.

While attempting to evict five youths who claimed to be members of the alumni association and who refused to move away from the dormitory, the officers were attacked by a group of more than 50 students of the middle school department of the national institute. An investigation is being made by the authori ies of the university to punish students who are involved in the attack on the officers.

Peiping Professor Charged With Corruption

Liu Yun-tso, dean of the College of Agriculture of the National Peiping Unive sity, has been indicted in Peiping on charges of corruption and misappropriation of funds.

Insurance Association Requests Fellowships for Students to Go Abroad for Study

With a view to training competent workers in the field of insurance, the Insurance Association of China recently petitioned the Ministry of Education, Tsing Hua University and the Sino-British Boxer Indemnity Fund Committee and other organizations requesting that fellowships be granted to students to study insurance abroad. The petition declared that the insurance business has a great bearing upon the welfare of the country and the livelihood of the people and that it is one of the most flourishing businesses in other countries.

Sino-Japanese University for Peiping

Educational circles in Peiping are paying the closest attention to a report that plans are being made by the Japanese for the establishment of a socalled Sino-Japanese University in the old capital, according to a Peiping report in the *Central Daily News* Aug. 21.

China to Attend World Educational Radio Broadcast Congress in U.S.

China will participate in the World Educational Radio Broadcast Congress which will be held in Washington, D.C. on Dec. 10 under the auspices of the United States Government, according to an official announcement made by the Ministry of Education at Nanking Aug. 21.

It is learned that a staff member of the Chinese Embassy in Washington will be selected to represent China at the conference.

81,873 College Graduates in China

Chinese colleges and universities have turned out at total of 78,689 graduates from the first year of the Chinese Republic, 1911, to the end of 1935, according to statistics released by the Ministry of Education last week. Added to the 3,184 who obtained their degrees before 1911, the total of college graduates number 81,873.

The Kiangsu Provincial Government Committee, at a meeting Aug. 18, decided to grant a subsidy of $20,000 to the Technical College of Nantung, industrial center in northern Kiangsu.

Up to date, more than 1,100 candidates have registered for the Provisional Higher Civil Service Examination to be held on Sept. 10, according to an announcement made by the Examination Committee in charge.

The Ministry of Education has drawn up a detailed program for the promotion of education in the frontier provinces for the new academic year, and submitted it to the Executive Yuan for approval. The new budgetary estimates for the promotion of education in the frontier regions show an increase of $100,000 over last year. The grant from the British Boxer Indemnity Refund for the same purpose is also increased $100,000.

Germans Urge Their Language on Chinese Educational Institutions

A proposal has been submitted to the Ministry of Education by the Sino-German Cultural Association to the effect that departments of German Literature be established in Chinese colleges and universities. The proposal also suggests that German be made the second foreign language in Chinese middle schools. A department of German Literature, the proposal adds, should be first established at Tung Chi University, Shanghai, and a professorial chair on German philosophy should also be established in the same University with donations from the German Embassy in China.

Dr. Chu Chia-hua, Acting Secretary-General of the Board of Directors of the Sino-German Cultural Association for the ensuing year, at a meeting of the Board in Nanking Aug. 21. Herr Fischer, Charge d'Affaires of the German Embassy, and Messrs. Chiang Fu-tsung and Teng Ku were elected members of the Standing Committee. Shang Cheng-tsu was made Secretary.

"China's Sorrow" Once More on a Rampage

The Yellow River, China's Sorrow, is again on a rampage. Following a dramatic rise of the water level in its upper reaches in Shensi, the main flow of the Hwangho currents reached Tungchwang, scene of last year's disastrous flood, Aug. 23. Gen. Han Fu-chu, Chairman of the Shantung Provincial Government, has instructed district magistrates along the river to keep a close watch over the situation and to take all precautionary measures within their means. Meanwhile, the Shantung River Affairs Bureau are rushing dyke hands to the lower reaches to strengthen the embankments on both sides of the river.

The Huai River Conservancy Board last week received a telegram from the District Government of Fengyang, in northeastern Anhwei, stating that as a result of continuous rainfall in northern Anhwei during the past month, the Huai River has shown an abnormal rise; the water, he reported, was on a level with the River dykes and the danger of overflow was imminent.

Wangheichuang, a small village along the Yellow River in Shouchang, western Shantung, has been submerged by the overflow of the surging waters from the upper reaches. Thanks to the efforts of the District Magistrate, however, the inhabitants escaped by boat to a safe refuge.

As a result of the sudden rise of the Yangtsze, traffic between Szechwan and Kweichow has been suspended. According to investigations, more than 90 hsiens have been affected by the recent flood.

Fifty Persons Drowned in Yellow River at Tungkwan, Shensi

One of the grimmest tragedies of the season occurred at Tungkwan on Aug. 21 when over 50 persons were drowned in the Yellow River as a junk in which they were travelling capsized in mid-stream.

New Hopei Highways Washed Out by Floods

According to reports from Peiping the four newly-completed highways, including the one between Peiping and Taming, a distance of about 230 miles, have been washed out by floods in many places. Repairs are now being made and it is expected that by the first of next month these roads will be again open to traffic.

As a result of heavy rainfall and mountain freshets a general rise of the various rivers in North China is reported.

KANSU, FOCAL CENTER OF REDS IN CHINA

(Continued from page 453)

"Do not come any closer!" The good harvest just recently gathered in is perhaps the tempting bait just now. This year's invasion of Kansu is better timed than the ineffective one last year. This too would seem to indicate that superior brains were back of the concerted move on the part of the Red forces operating in the northwestern provinces, Shansi, Shensi, Szechuan, Sikong, Ningsia, and Kansu.

With the memory of the 1927 debacle still fresh in mind, it is not likely that Russia would grant aid of any kind to a small minority group but it is conceivable that should Generals Li Tsung-jen and Pai Chung-hsi call in the assistance of the Red armies in China, the authorities in Moscow might bless the new combination. There will come a time when Russia will be forced to call Japan's bluff, or submit to her terms, in other words be satisfied with whatever part of Asia Japan does not covet.

Reds Marching Northward on Lanchow

The objective of the Red armies in Kansu is complete control of the province, politically as well as militarily. They are advancing on Lanchow, via Minchow and Titao. One branch of these troops from Sikong and Szechuan is heading west toward Hochow. The Reds driven out of Shensi are also making their way westward toward Lanchow.

Shensi Almost Free From Reds

The Red forces have found it expedient to make themselves scarce in Shansi and Shensi. Having had one grand opportunity of looting and ravaging towns and cities in most parts of these two provinces, the Communists seem to be fed up with fighting and are now heading westward to evade the attacks of the government troops. Coming as they do into virgin fields they find that it pays to move into new regions where the harvest has been plenteous. It eases the problem of the commissariat in a wonderful way, in fact, they are in clover in Kansu to-day, compared to last year. Whether the government troops will be able to overtake the Reds is another problem. The mobility of the Communists is proverbial. They have won every marathon so far and will be able to outdistance most government troops in mountain-climbing and in endurance in general. The Reds who cannot keep up, fall by the wayside; there is no mercy shown. Only the strongest survive.

Hankow, Aug. 24, 1936.

Who's Who in China

汪祖澤字通甫
Wang Tsu-chia (Wang Tung-fu)

Wang Tsu-chia, judicial official; born at Canton, Kwangtung, 1880; LL.B. Law School, Meiji University, Japan, 1909; Procurator, Supreme Court, Peking, 1912-27; President, Provincial College of Law, Kwangtung, 1928; Chief Procurator, Shanghai First Special Area District Court, 1932-33; Chief Procurator, Peiping District Court, 1934-35; Chief Procurator, Hopei High Court, 1936; President, First Branch of Hopei High Court, since 1936; address: First Branch of Hopei Court, Tientsin, Hopei.

汪祖澤字通甫，廣東番禺人，年五十六歲，日本明治大學法律科畢業，歷任大理院總檢察廳檢察官（民國二年至十六年），廣東法官學校校長（民國十七年），上海第一特區地方院法院首席檢察官（民國二十一年至二十二年），北平地方法院首席檢察官（民國二十三年），河北高等法院首席檢察官（民國二十四年），現任河北高等法院第一分院院長。

Fukien Paper Mill to Become Semi-Government Enterprise

Following negotiations at Nanking by Lin Chih-yuan, member of the Fukien Provincial Government, arrangements have been made for taking over the Fukien Paper Mill as a semi-government enterprise.

Public Functionaries in Shansi May Not Wear Uniforms Made of Foreign Material

Central News states that Shansi public functionaries who wear uniforms made of foreign material, henceforth will be fined a month's salary for the first offense and will be deprived of their jobs if they commit the same offense for the second time. At least once in three months, inspection will be held at the weekly memorial service, morning exercise, and during working hours to find out whether the civil employees abide by the rulings. Violators for the first time will be fined one month's salary. For the second offense, they will be dismissed.

German Goods Make Marked Advance Among North China Agrarians

The Tokyo *Chugai Shogyo* Aug. 18 stated that a report received at the Osaka prefectural trade recently from Tsingtao, indicates that of late commodities from Germany have been making a marked advance on the Chinese market. Unlike the dumping heretofore seen, it is based on long-term payments for the benefit of Chinese merchants in lack of funds and has a quite strong foothold. The advance of these German articles in the farming villages of the North China centering about Shantung province is quite remarkable and further strides are expected in the harvest season in the fall.

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Shanghai, Aug. 26, 1936

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Demand buying rate on London:	£1.0.0=Sh. $16.58

Men and Events

The Shanghai Head Post Office observed a holiday Aug. 27, the birthday anniversary of Confucius.

B. W. Fleisher, publisher of the *Japan Advertiser*, and Mrs. Fleisher sailed from Tokyo Aug. 21 for the United States.

The Sino-Latvian Treaty of Amity, recently concluded at London, was formally ratified by the Latvian Government last week.

John Ketcham, of the American Consulate-General at Tientsin, has been transferred as Consul to Swatow, and will leave for the southern port with Mrs. Ketcham in the near future.

Josef von Sternberg, for several years director of Marlene Dietrich pictures, arrived in Japan last week on a tour of the Far East. He is expected to arrive in Shanghai in mid-September.

Official attention has been drawn at Nanking to the reported drowning of 100 miners at the Paochun Mining Company mines at Kouchuanchen, Tatung, as a result of the onrush of mountain freshets on July 23.

The Rev. W. H. Hudspeth last week took up his new duties as Secretary to the British and Foreign Bible Society in Shanghai. Mr. Hudspeth had been stationed in an obscure part of Yunnan Province for the past 26 years.

Frank F. Merriam, Governor of California, Aug. 21 turned the first shovel of dirt on the site of the Golden Gate Exhibition which is to open in San Francisco upon the completion of the new Golden Gate Bridge.

R. N. Neale, *Reuter's* chief correspondent in Paris, was nominated Chevalier of the Legion of Honor in Paris Aug. 20. Mr. Neale was manager in charge of the News Department of *Reuters* some years ago in Shanghai.

G. G. Bradford, a director of the American Engineering Corporation, agents for Frigidaire and ventilating equipment, departed for the United States this week on a business trip. He was accompanied by Mrs. Bradford and they planned to return to China next January.

In observance of the 11th anniversary of the assassination of the late Liao Chung-kai, ardent revolutionist and some time Finance Minister in the Canton Military Government in 1925, a memorial service was held in the Central Kuomintang Headquarters in Nanking Aug. 20.

The death occurred in Vienna Aug. 17 of Dr. Werner Vogel, of the German law firm of Drs. Vogel and Lorentz, Shanghai. Dr. Vogel, at the time of his death, was also a member of the board of directors of the German Chamber of Commerce and secretary of the German Community.

Fiorello H. LaGuardia, Mayor of New York, Aug. 20 refused an invitation to start a relay rickshaw race from New York's City Hall to Asbury Park, N. J. "The very idea of a human being acting as a beast of burden is repulsive to me," the Mayor said. "It is contrary to everything for which the United States stands."

A letter pledging their wholehearted support to the campaign for election of women delegates to the forthcoming National People's Assembly now being conducted by feminists in China was received this week in Nanking from the Chinese Women's Association in America with headquarters in New York City.

Frederick Snyder of Kingston, N. Y., lecturer, who talks on the subject, "Keeping Ahead of the Headlines," was in Shanghai last week on a brief trip through the Far East. While in Tokyo, Mr. Snyder discussed with the Japanese authorities the matter of publicity in connection with the Olympic games, scheduled to be held in Japan in 1940.

Results of the efficiency test for China's diplomatic and consular service personnel abroad, made recently by the Ministry of Foreign Affairs, were officially announced in Nanking this week. As a result of the investigations, 64 are learned to have received promotions, 62 were given merits while only one was given a demerit. Five were relieved of their posts.

A detachment of 333 men for the U.S. Fourth Marines stationed here arrived by the U.S.S. *Henderson* Aug. 22 to relieve those who are returning to the U.S. by the same transport Sept. 1. This detachment includes additional troops as well as replacements so that the United States Fourth Marines force here will be brought to a total strength of well over 1,000 men.

After staying in Canton for about one month to make an investigation into the currency situation in Kwangtung prior to the introduction of the "big money" system, Messrs. Tang Shoumin and Tsu-yee Pei, General Manager of the Bank of Communications and Manager of the Shanghai branch of the Bank of China respectively, returned to Shanghai Aug. 23.

Hardivilliers & Cie, representatives of French manufacturers in metals and machinery, with head office in Shanghai, have been awarded a $626,000 contract to install a water system in Sian, The contract which was signed in Sian on Aug. 20 stipulates that the whole project must be completed within 17 months. Water supply, it is stated, is to be drawn from artesian wells.

After the U.S.S. *Augusta*, flagship of the Asiatic fleet, departed from Yokohama Aug. 21 for Shanghai the police swept down upon the pier and arrested 35 girls who had turned out for a farewell. The girls were finger-printed, rebuked and released, and their parents or guardians were notified. The Yokohama police have ruled that such farewells may not take place at the piers.

Immediately after purchasing the XQHA radio station in Love Lane, Shanghai, from F. M. Howard, Hiroshi Takagi, the new proprietor, commenced broadcasting a program, which includes Japanese lessons for Chinese listeners. In making the transfer the Japanese owner ignored the Ministry of Communications regulations that all transfers in ownership must be registered with the Ministry.

The following is from the Day by Day column in the *Japan Times* of Tokyo: "A detective attached to the Uyeno police station arrested Otoshige Shirai, a ragman living at Nippori Arakawa, who confessed that he had stolen seven Datsun automobiles. He had a license to drive one of the "baby cars, hence had been driving away Datsons and selling them for some time as a sideline to his rag-picking profession."

The new Board of Directors of the Sino-German Cultural Association held its first meeting in Nanking Aug. 20. Dr. Chu Chia-hua, former Minister of Communications and now Secretary-General of the Academia Sinica, was elected chairman of the new Board. Dr. Fischer, Counsellor of the German Embassy, and Messrs. Teng Kuo and Chiang Fu-chung were elected Executive Directors. Shang Jen-chu was appointed honorary secretary.

Vincent Sheean, well known American correspondent and author, on his arrival in Geneva Aug. 18 was taken to hospital. Physicians prescribed three months rest treatment. Mr. Sheean is well-known in China, having spent a number of months in Shanghai, Hankow and other points during the northern punitive expedition of 1927 and the establishment of the Nationalist Government at Hankow and Nanking. His experiences in China form a prominent part of his autobiographical volume, "Personal History."

The First Special District Court in Shanghai Aug. 22 passed a sentence of five years imprisonment on Dr. Lee Fong-tsung, of Hankow, following conviction on a charge of forgery. He gave an order to the Wha Tung Printing Shop, House 25, Lane 153, Myburgh Road, at the same time declaring that he had been authorized by the Hupeh Provincial Bank to print more than $1,000,000 worth of bank notes. He placed an initial order for $50,000 of notes. As the work proceeded the printers became suspicious and notified the police.

The New York University Alumni Club was inaugurated at the Metropolitan Hotel at Nanking Aug. 21. Among those present at the inaugural meeting were: Dr. Francis K. Pan, Chief Secretary of the Ministry of Railways; Khong Loy, expert of the Ministry of Railways; C. Chiang, head of the Co-operative Administration of the Minsitry of Industries; Yang Liang-kung, member of the Control Yuan; Wu Chao, manager of the Bank of Agriculture and Commerce; Prof. Sun Pen-wen, of the Central University; Dr. T. H. Li of the Central Political Institute; and Chu Chi-che of the Ministry of Railways.

To foster cultural and economic relations between Siam and China, a Sino-Siamese Association, now under organization, will shortly be inaugurated, according to information from the Overseas Chinese Affairs Commission in Nanking. A set of regulations governing the projected Association is now in course of drafting. As soon as it is adopted, members will be elected and the Association formally inaugurated. The Association will maintain offices both in Nanking and Bankgok, with Gen. Chiang Kai-shek and the Siamese premier serving as honourary presidents of their respective offices.

The death occurred in Shanghai Aug. 24 of Wong Chee, managing director of the Sincere Co., Ltd., at the advanced age of 80 years. The deceased was a native of Chungshan District, Kwangtung, but proceeded at the age of 17 to Australia, where he served his apprenticeship in a haberdashery shop. His first business venture was in 1885, when he founded the Wong Sang Woo Department Store at Glen Innes, Australia. He returned to China in 1913 and shortly afterwards became manager of the Sincere Co. branch at Canton. With the establishment of the Shanghai House in 1916, he was elected its manager.

Miss Sarah S. Lyon, Executive Secretary of the Foreign Division of the American Y.W.C.A. arrived in Shanghai this week enroute to Ceylon, where an International meeting will be held in October. This is her second tour of the Oriental countries in the interests of the Y.W.C.A. During 1933 she spent several months in China, Japan, Korea and the Philippines. In addition to her position with the Y. W. C. A. of the United States, Miss Lyon is a member of the World Planning Group, a committee of the World's Council, which appraises the needs of the 52 national Associations now belonging to the international organization. Miss Lyon is also a member of the Executive Committee of the International Missionary Council. She will remain here for about two weeks before proceeding South.

Hallet Abend, correspondent in China for *The New York Times*, departed this week on a bus ness trip to Manchuria.

According to investigations made by the Bureau of Public Safety, there is now a total of 333,486 unemployed in Shanghai—about 15% of the total population.

Altogether about 15,000 prisoners in twenty-two different provinces in China have been paroled during the last thirteen months, according to figures released by the Ministry of Justice in Aug. 25.

The University of Shanghai is planning to develop its Yangtszepoo Social Centre for industrial workers more than ever before. Dr. Woodrow Ching has been engaged as the new director. Dr. Ching is a graduate of the University of Shanghai.

The general office of the International Dispensary Co., Ltd., was removed this week to its new building at the corner of Foochow and Honan Roads, Shanghai. The sales office will be removed from 588 Nanking Road on Oct. 10 to the same location.

Miss Maria Wen, the Eurasian girl suspected of complicity in a plot to smuggle $50,000 worth of narcotics into the United States, entered a plea of not guilty as the hearing of the case opened in Los Angeles, Aug. 24. She was arrested in New York on board a steamer sailing for Europe.

Richard Watts, Jr., who visited the Far East twice in the past year, has been appointed dramatic critic of the New York *Herald-Tribune* to succeed the late Percy Hammond, who died in April. Mr. Watts, who has been *Herald-Tribune* motion-picture critic since May, 1928, joined the paper in 1924.

Messrs. Sun Ching-chai and Pien Yu-nung, chief of the Public Works Section and Chief Accountant respectively of the Municipal Engineering Bureau at Sian, were killed in a bus accident on Shang Jen Road Aug. 25. Three persons were seriously injured and 13 others slightly injured, all staff members of the Bureau.

The death occurred in Tientsin on Aug. 18 of Major-Gen. Ralph Lulu, at the age of 51. General Lulu, as Commissioner of the 1st, 3rd and 4th Special areas under the Chiang Hsueh-liang regime, was responsible for recruiting and bringing the Peiping Pao An Tui units to Shanghai to take over the Chapei area immediately after the Sino-Japanese hostilities of Shanghai.

A letter dated August 2 was received at Hankow Aug. 18 from the Rev. K. I. Samset, the Lutheran missionary who has been held captive by Communists for a considerable time, stating that he was receiving good care from the Communists and that his spirits were high. A Christian Chinese negotiator left Kikungshan on Aug. 19 with an unknown amount of ransom with the hope of securing for Mr. Samset's release.

Tipping System to Be Abolished in Shanghai

The "tipping" system, which is widely practised in this country, will be abolished in Shanghai on Sept. 15, according to a new set of regulations outlawing the time-honored institution handed down last week by the National Association for the Promotion of New Life Movement to its Shanghai Branch organ.

These regulations, it is understood, have been sent to all business establishments concerned by the Shanghai New Life Movement Association for the purpose of securing reaction to the matter prior to the enforcement of the new ruling. The Shanghai Municipal Council, the Chinese Ratepayers' Association and the City Chamber of Commerce will be requested to cooperate in stamping out this undesirable social practice, it is learned.

"Central News" Chief Editor Foresees Consolidation of News Agencies

With the increasing demand for a centralized and more efficient news-gathering system, a national news agency will soon emerge in China to substitute the large number of existing mosquito news agencies, take over the domestic service now issued by foreign agencies in China, and send competant correspondents abroad to cover foreign news.

This prediction was made by T. C. T'ang, Chief Editor of the English Service of the *Central News Agency*, Nanking, in the course of a radio talk on "The Development of the Chinese News-Collecting Enterprise" on the night of Aug. 19 over the Central Broadcasting Station. "With the gradual demand on the part of native papers for a better coverage of news," Mr. T'ang declared, "it is safe to say that the non-distant future will see the extinction, or amalgamation, of a large number of the present mosquito news agencies, which are poorly-financed and ill-equipped.

"The day will soon come when a powerful news agency will take over the domestic service now issued by foreign agencies in China. China is probably the only country in the world where foreign agencies sell Chinese news to the vernaculars. But circumstances no longer warrant the continuation of this situation."

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New Books of Interest in the Far East

A Study of the Stranger Within America's Gates

Alien Americans, by B. Schrieke. The Viking Press, New York, U.S. $2.50. A notable study of conflicting races in the United States, made by an expert foreign observer without sectional or racial bias.

In 1933 the Board of Trustees of the Julius Rosenwald Fund invited Mr. Schrieke to make a study of Negro life and education, particularly in the South. Mr. Schrieke was selected on account of his wide experience with Oriental race relationships and also because it was felt that his study would be an unprejudiced one, since, up to the time he went to the United States to make this study, he had never been in that country before. Later the study was extended to include race problems other than that of the Negro.

As a result of the discovery of gold in California in 1848, the Chinese flocked into the United States, and it was in the goldfields that the first feeling, formerly directed against the Indians and Spanish, developed against them. They drifted into the cities to take over the menial jobs; they went to work for the railroads and on reclamation projects, because the dearth of cheap labor was very great. As Americans flowed into California they came into competition with the Chinese and agitation against them developed overnight. Boycotts were organized and intimidation was resorted to, ending in the suspension of immigration in 1892. For the Chinese who remained in the United States and for their children adjustment to American ideals has been difficult. It has been complicated by their non-acceptance by other Americans on account of their race and the fact that they are expected to keep their place. They have become inordinately sensitive and have developed either an oppression complex or an exalted sense of race pride. The problems have been particularly acute with respect to the relations between the older and younger generations, owing to the conflict between Americanism and Asiatic ideas of the family. Possible fusion with other underprivileged nationalities and a partial solution of their problems may result.

The gap caused by the exclusion of the Chinese in the nineties was filled by the Japanese, but where the Chinese had been docile the Japanese were aggressive. They moved into the farming districts, where, on account of their low standard of living, American farmers were soon unable to compete with them. Opposition against them gathered force. In the cities they maintained "sweat shops" and cut wages and prices. They refused to remain in a special quarter. The "Gentlemen's Agreement" of 1907 limited immigration, but lack of faith in the honor of the Japanese Government caused continued agitation and resulted in the passage of the Alien Land Laws and their final exclusion in 1924. The difficulties of the American-born Japanese have been practically identical with those of the American-born Chinese, and similarly the author hopes that fusion with other nationalities will offer a partial solution of their problems.

Mexican labor entered Southern California in the early 1900's as part of the development of that section of the country. The typical Mexican immigrant is a laborer, who migrates up and down the State according to the seasons, living under terrible conditions. He works with the idea of being able to take a few days off now and then and knows nothing of saving. Such education as has been undertaken, in spite of the migratory difficulties, has been done with the idea that the business of learning English is the duty of the pupil rather than any responsibility of the teacher. This attitude has also been common to the Spanish-speaking Southwest, as well as to the immigrant in the East.

The treatment of the Indian has been in complete contrast to that of the Mexican. Indians have been segregated and treated as Government wards, and all kinds of innovations have been tried on them. Such a policy as this has not fitted them for regular social intercourse with the white men and has made them dependent on government aid. However, a distinctly Indian civilization will be impossible to preserve, and so far intermarriage has been the greatest contribution to the solution of the Indian problem.

The phenomenal development and unlimited resources of America attracted and required large quantities of cheap labor—hence the immigrant. As a product of lack of adjustment in his home land, he hoped to find opportunity and freedom. With the disappearance of the frontier, society became complicated and it was no longer possible for the later immigrant from southern and eastern Europe to do other than accept a position of social subordination. To preserve their integrity the late immigrants accepted the isolation of the ghetto, making assimilation still more difficult. Largely through the agency of the public schools, this situation is bound to pass, especially since the biological features are not distinctive, as is the case with the Chinese and Japanese.

The ending of the Civil War and the emancipation and enfranchisement of the Negro left the South facing severe problems. Confusion reigned. The only clear idea was that the Negro should be disenfranchised by any means possible, such as violence, intimidation, bribery, etc. Since the North's interest was principally in breaking the oligarchy of the South, which was accomoplished, they were willing to let the South handle the matter as it wished. And, besides, they were never convinced of the equality of the Negro. Although the Negro is out of politics, the spectre of his possible return remains with the South and has made the South fear anything which might disintegrate its unity. This has made the South a negligible factor politically and has hampered its growth economically. The South's additional solidarity in matters of religion has led to intolerance, suppression of freedom of speech and thought and resistance to creative effort. The Negro has been forced to occupy the place of a pariah group, while feeling himself to be an American. Here and there a beginning has been made toward lifting the Negro from his low place, but the process will be a slow one.

Of late years the interest in the education of the Negro has grown, and the Negro has benefited as a result of various philanthropic educational activities. In spite of the advances that have been made Negro education does not have an acknowledged place—the right of the Negro to schools and public services is not generally admitted. The training received is poor and unsuited to the needs of the Negro. This is partly due to the desire of the Negro for an education which will be identical with that of the whites, regardless of his own special problems.

The picture which Mr. Schrieke has painted is not too pleasant a one for the American reader. As a "land of freedom" America has, perhaps, been a failure. Intolerance amounting in some cases to violence has greeted the immigrant, the Negro and the Oriental. But the outlook is not totally dark. Assimilation has taken place in some instances already and is proceeding by slow degrees. Fusion has begun among the underprivileged nationalities. A more enlightened attitude toward education is slowly gaining ground. But of necessity such progress as there will be, must take place very slowly.

D. D.

The Origins of Words and Myths

Phrase Origins: a Study of Familiar Expressions. By Alfred H. Holt. New York: Thomas Y. Crowell, 1936. 328 pages, bibliography. U.S. $2.00.

The World of Myths: a Dictionary of Mythology. By Frank Chapin Bray. New York: Thomas Y. Crowell, 1935. 323 pages index. U.S. $2.00.

These two books are excellent examples of reference material popularized for the home library; for the "browser" who enjoys hunting the ancestry of his phraseology; or for any person who wishes to be reasonably well-informed without laborious research.

Mr. Holt's work on phrase origins has led to strange hiding places. "Trailing a word to its source will often land you in a Gothic or Sanskrit dictionary, whereas a phrase-detective may find himself plying his trade in a pool-room railroad yard, or while listening to a radio comedian." Origins range from Plutarch and Suetionius to Walter Winchell, the Broadway columnist who is credited with "They middle-aisled it yesterday." (Were married).

Residents in the East will be surprised to learn that "chit" and "tiffin" originated in England.

> "Chit.—Lacking acceptable telephone service, the British in India and China still have their chit-coolies, who trot about with little notes. A chit is also an I. O. U. or a slip that you sign when you want something charged to your account. People are usually surprised to learn that this Oriental institution, like tiffin, takes its name from English dialect. It is believed to be short for chitty (Oxford English Dictionary quotation, 1798), and derived ultimately from Sanskrit citra, marked, akin to cheetak, a leopard."
>
> "Tiffin.—When this word for mid-day meal got back from India, people didn't recognize it. It is not Anglo-Indian at all, but derived from an English dialect word meaning to eat or drink between meals."

The light-hearted tone of the book may be seen in the explanation which Mr. Holt gives for O.K., the most over-used slang expression of the moment: "O.K. Though Woodrow Wilson justified his use of "okeh" by tracing it to Choctaw, "It is so and in no other way" there is no evidance that President Andrew Jackson, who first popularized O.K., knew any Choctaw. In fact he was sufficiently illiterate to have made possible the story that he thought those the initials for "Orl Korrect," a slander which has never been successfully refuted. It is conceivable, however, that the original initials used by him as his endorsement on documents were "O.R.," "Ordered Recorded." Edwards, whose work is more interesting than accurate, says that Jacob Astor, "who was a fine judge of solvency, if not of spelling," was the original "orl korrect" man."

Mr. Holt has succeeded in finding some explanation for several thousand words and phrases, which he has documented for the satifaction of the critical reader and filled with spicey anecdotes for the amusement of all his readers.

In his introduction Mr. Bray says "Who's Who in Mankind's Mythology" was his goal in the writing of The World of Myths. But he has done more than make an explanatory catalogue of persons and places. There is also a "story-chapter" which introduces the material on each country. Mr. Bray has made this interesting observation: "This collection of myths may strengthen the belief that our civilization has some distance to go before it completely reverts to stark paganism. . . I confess that my own adventurous flight through the world of myths. . . has broadened my personal appreciation of the everlasting struggle of man toward the light."

The book is divided into five sections: Europe and the Mediterranean, which includes not only the classical mythology of Greece and Rome but also the Celtic, Nordic, Slavic, Egyptian and Jewish mythology; Asia, with the ancient world myths of Babylonia and Assyria, Hindu, Chinese and Japanese myths: Africa; the Pacific area, including Australia, the Philippines and the southern islands; and the myths of the American continents. Amidst the variety of detail seen in these myths of the world there are amazing similarities in their foundations. Indeed as one observes the hopes and fears expressed in these mythologies one is impressed by the essential unity of mankind.

These two books would make useful companies to sit on the shelf beside the dictionary and atlas. The World of Myths is an excellent reference book for school children.

F.M.R.

Turkish Government Issues Bi-Monthly Journal in French

La Turquie Kamaliste is the name of an excellent bi-monthly journal published by the Turkish government from Istanbul (Constantinople). It is printed at the Turkish Government printing office. The frontispiece in the April issue in colors, showing the five place in the sleeping room of the black eunuchs in the Topkishi Saray, is a real work of art.

Jews in Palestine Oppose Any Restriction of Immigration

Seventy members of the Jewish Elective Assembly met in Jerusalem, Aug. 18, in secret session with a view to deciding the Jewish attitude in the present crisis. A strong protest against Britain's present policy in Palestine was voiced at the meeting, which branded the policy as unconsonant with the previous British commitments, and favoring too much the Arabs. The Jewish attitude, one of the speakers declared, has always been based on the Anglo-Jewish friendship, but the Jews would vigorously defend their rights, acknowledged by the League of Nations, if these rights were threatened. The Hebrews, he added, were determined to oppose any restriction or interruption of Jewish immigration in Palestine, since the Jewish National Home is now more than ever necessary because of the anti-semitic policy followed by various countries, and mainly by Germany.

How the Soochow Peasants Are Oppressed by Landlords and Police

Giving a vivid description of the agrarian movement in Soochow and how the local authorities supressed the agitation, an article, appearing in the magazine "Rural Villages in China" (*Chung Hua Noon Chuan*) Vol. 2, No. 6 of June 1, stated that under the heavy burden of land taxation and natural disasters, the agrarian movement at last exploded. The total area of agricultural land in Soochow amounts to 2,500,000 mow; the total population amounts to 1,300,000. In such a paradise of fertility, 5% of the total population (the landlords) squeeze $20,000,000 per year in rentals from 75% of their fellow men (the poor farmers). On the other hand, the Government takes $1,800,000 from the latter as land revenues. Due to the natural disasters which occured last year, the farmers received practically nothing from their fields. The greedy landlords kept on forcing them to pay rents, but in vain. Thinking of another way out, they filed a petition with the local authorities, urging them to collect the rents for them on the ground that the government revenues come from the rent.

In the end the whole police force in Soochow was mobilized to suppress the movement which the peasants had staged in protest. Eventually the farmers were forced to pay their rent. The *Chung Hua Noon Chuan* in conclusion commented:—"According to the report of the local authorities, it is said that the suppression of the movement was succesful. As a matter of fact, we very much doubt this statement."

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Notes on Chinese Wood Oil

CHINA wood oil is the oil obtained by pressing the nuts of the "tung tree" which is extensively grown in Szechuan, Kwangsi, Kweichow, Hunan, Hupeh, Shensi and Chekiang, and to a certain extent in Anhwei. Outside China, the trees are also abundantly grown in Indo-China, Tonkin, Cambodia, America. Australia, New Zealand, India, Burma, Ceylon, Malaya, Africa Soudan, West Indies, Russia and Argentine. China wood oil was known to the Europeans as early as A.D. 1735, when it was mentioned by the Jesuit D'Incarville as a common adulterant of Chinese lacquer. The first export shipment made to Europe, as far as can be gathered from the Customs returns, was in the year 1897. The total quantity exported from Hankow during that year was 13,049 tons, and from Wuchow 287 tons, but this last figure represented only 3 months' exportation. The exportation increased most rapidly during the last four years and it is estimated that the total exportation from June 1935 to June 1936 was about 70,000 tons. Figuring the average Shanghai price to be $60 per picul or $1,008 per ton, the volume of business is $70,560,000. The increase of consumption is due to the discovery of other uses for the commodity besides that of making paints and varnishes.

The tree is not tall, ranging from 7 feet to 9 feet. Nor is the trunk thick, about two feet in diameter the thickest. It is planted by seeds and matures in the third year. It produces the most fruits at the fifth to seventh year. Each tree in its fifth year produces somewhere around 25 pounds of fruits. Each fruit contains 3 to 5 kernels which are enclosed in a hard shell or seed. These seeds are again embodied in a skin which is quite juicy. The kernels produce about 40% oil, but with hydraulic presses 53% may be obtained. The fruit in its fresh condition has the size of a small apple and has a weight of about half a catty or ten ounces. The kernels of a tree will give oil amounting to 2 catties; and cake, 2½ catties.

Seeds Sown in the Spring

Tung seeds are sown during March and April. They thrive best in the mountainous districts where there is a moist climate and sandy earth. No fertilizer is needed; the trees grow at the sides of the mountains. Each tree requires a space of 12 feet square. The harvest season is in October when the farmers use bamboo sticks to knock down the fruit. The gathered fruits are then dumped into open yards for fermentation. The skin of the fruits is green when first taken down from the tree, but turns black after fermentation. The fermentation helps the skin to crack, and the fruit explodes like in the case of a cotton pod It would be quite difficult to open the fruits otherwise, as the skins are quite tough. Then the inside seeds are roasted in a flat iron pan—some use iron basins —over a naked fire and then broken to powder between stone grinders. Finally the mass is expressed in crudely made wooden presses. The wooden press is made of a big log about ten feet long and 4 feet in diameter. In the log a big space is cut out so that a number of steel rings may be placed. The powder for pressing is placed in the hollow thus formed by the steel rings. A few pieces of planks are used for keeping the rings in position. At one end a few pieces of wooden blocks are inserted. To press the oil out wedges are used for inserting between the wooden blocks. Wedges are forced in one by one until all the oil is pressed out.

The wood oil or Tung oil thus obtained is termed the "first pressed oil." It is not clear owing to the presence of foreign materials. It is allowed to settle and sometimes it is exposed to sunshine for settling purpose. The pure oil is then separated from the "foots," which will go for second pressing. The powder left in the machine after the first press will be treated again for the second press. After the second press there is the third press. Each successive pressed oil will have a quality inferior to the previous one.

Each crude wooden press can turn out 40 catties of oil a day. There are no less than 80,000 presses in the producing districts. The labor charge for pressing oil varies from 30 cents to 50 cents per day. The laborers pay for their own food. These crushing houses are mostly scattered in the rural districts, where seeds are easily obtainable. Only a few of them are situated in the towns. This is due to the poor means of communication for the seeds to be sent to the towns.

Some of the farmers who own Tung trees, own also crushing machines. But most of them sell their seeds to the crushers. Seeds are sold on the basis of "T'ur" a Chinese dry measure. One T'ur contains seeds weighing about 16 to 17 catties. The price of seeds today has gone up to $4 per T'ur from $1.60. It requires good experience to determine the value of the seeds brought by the farmers for sale, because among the good seeds there are often mixed useless ones, such as decayed seeds, worm eaten seeds, etc. It often occurs also a quantity of foreign matters mixed with the seeds in order to increase weight.

In regard to the selling of the oil, the large crushers send their own employees to the town with oil in the buckets or kerosene tins. Each man carries from 80 to 90 catties. They cannot carry more as they have to go a long distance, from 20 miles to 40 miles, up and down mountains. The small crushers sell to the collectors who may be the employees of the oil hongs in the towns.

The oil dealers and merchants pack the collected oil in bamboo baskets or wooden tubs, each of which contains from one to two piculs. These baskets are woven of bamboo splits and inside lined with several layers of thick, heavy, native-made, paper being previously saturated with oil to prevent leaking. The wooden tubs are carefully sealed up with a kind of putty made of lime and wood oil as to so assure safe transportation. These containers are then brought to the wood oil marketing centers by boats.

The color of the Tung oil differs according to the way the oil is obtained. The cold drawn oil is pale yellow and is commercially sold as "Extra pale" and "Pale Hankow" while the hot pressed oil has a dark color. With the exception of Changteh wood oil, the color of China wood oil has usually a pale golden color. The European market demands only pale color oil while the American buyers are not particular on this item. However, the pale color is more appreciated.

Y. D. ZIA.

Flow of Smuggled Goods Southward Stemmed at Tientsin, Deputy Director Says

The tidal flow of smuggled goods southward along the Tientsin-Pukow Railway has been definetely stemmed at Tsinan, which is now the southernmost point that the illicit trade can reach, according to Lee Tung-hua, Deputy Director of the Anti-Smuggling Bureau, who returned to Nanking end of last week, after an extensive inspection tour along the Tientsin-Pukow and Peiping-Hankow Railways.

The Ministry of Finance has appointed Lee Tung-hua, assistant director of the Prevention Bureau on the Tientsin-Pukow Railway, to inspect the anti-smuggling work on the Tientsin-Pukow and Peiping-Hankow railways.

Branch anti-smuggling associations have been established at Hankow by the local piece-goods, silk, cloth, sugar, salt, and marine products merchants. Anti-smuggling inspectors have already been appointed, and their names reported to the Anti-smuggling Association of the Hankow City Chamber of Commerce for record.

Tientsin's Import and Exports Show Decreases in June

Both Tientsin's imports and exports for the month of June registered a decrease as compared with the month of May, according to statistics issued by the local Customs. Its total imports for the month under review were valued at 2,250,788 Customs Gold Units and its exports amounted to 7,991,238 C.G.U., showing a decrease respectively of 240,000 and 700,000 Customs Gold Units.

A. T. Lu Discusses Smuggling Situation in North China

The Council of International Affairs has published a new pamphlet on "The Unabated Smuggling Situation in North China," written by Albert T. Lu. Besides tracing the motives of the smugglers and exposing the magnitude of the smuggling menace, it gives a detailed review of Japan's part in trying to dominate China's tariff policy ever since 1927 when China regained her tariff autonomy. Certain Japanese allegations regarding the lack of zeal on the part of Chinese Customs authorities and the high rate of the Chinese tariff are categorically refuted by the writer.

Income Tax Law to Take Partial Effect on October 1

The Income Tax Law and its enforcement regulations which were recently passed by the Legislative Yuan were approved by the Executive Yuan at its weekly meeting held in Kuling, Aug. 18, These regulations, it was decided, will be enforced on Oct. 1, 1936. As to collection of the direct levy, it was decided that collection of the tax for public functionaries and for interest from bonds and bank deposits will begin on Oct. 1, while that for the other taxable categories will commence on Jan. 1, 1937.

According to C. T. Liang, Assistant Director of the Income Tax Preparatory Bureau, only salaries of public functionaries and interests accrued from bank deposits and bonds will be taxed beginning Oct. 1. The Central Government is not eager to impose the new tax on all kinds of income at once, as it wants to take ample time to convince the public of its benefit, Mr. Liang further explained.

Commenting on the new Income Tax Law, the *British Chamber of Commerce Journal*, stated that the new Law is open to much criticism and will doubtless arouse strong opposition on the part of those it is proposed to tax. With a people unaccustomed to such forms of direct taxation and with a population, moreover, which is so largely illiterate, the task of the collector would be almost impossible, and unless the tax is uniformly applied it would at once become discriminatory and lead to endless difficulties, the *Journal* said.

Foreign Diplomatic Officials to Be Exempted from Income Tax

Foreign diplomatic officials in China will be exempted from paying income tax, according to the by-laws governing the enforcement of the income tax adopted by the Executive Yuan Aug. 18. Foreign nationals whose residence in this country has been less than one year and whose income does originate in China will also be exempted from paying tax. These two provisions, however, only apply to diplomatic officials and nationals of such foreign countries as extend the same treatment to Chinese diplomatic representatives and nationals in their domains, the by-laws further stipulated.

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